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Papers Trace CIA Efforts to Recruit Bani-Sadr

By Scott Armstrong
Washington Post Service

Embassy Documents Say Agent Offered Large 'Fees'

WASHINGTON — In August, 1979, a couple of months before militants seized the United States Embassy in Tehran, a tall, slim man, slightly gray at the temples, would come out the front door of the Tehran International Hotel and walk to a nearby street called Amir Abad. If anyone checked, the passport and credit cards in his pocket would identify him as William A. Foster, a U.S. businessman based in Europe and representing Carver Associates, a Philadelphia consulting firm. If authorities checked with Philadelphia, Don Meads, president of Carver Associates, was prepared to vouch for Mr. Foster.

Only Mr. Foster was not quite real. Mr. Meads knew him as Guy W. Rutherford, a CIA officer who was provided "deep cover" by Carver Associates. In fact, he was not Mr. Rutherford. His real name was Vernon A. Cassin, a now-retired CIA officer who was active in Middle East espionage for nearly two decades.

The script was written at CIA headquarters in Langley, Va., and, half a world away in Iran, the players followed their parts faithfully.

To newspaper readers in the United States, Abolhasan Bani-Sadr may have been known only as another revolutionary leader who spouted anti-U.S. rhetoric in time with his leader, Ayatollah Ruhollah Khomeini.

To the CIA, Mr. Bani-Sadr seemed a promising recruit.

Initial Contact

At an intersection, Mr. Cassin was picked up in a sedan driven by a man he knew by the code name of Paquin. Paquin was Thomas Ahern, the CIA station chief in Tehran. Mr. Cassin delivered the message that Langley wanted to hear: The initial contact had been made to cultivate and recruit Mr. Bani-Sadr, prominent leader of the 15-member Revolutionary Council, as an informant or agent.

Identified in cable traffic only as "SD-Lure-1," Mr. Bani-Sadr ostensibly would be "lured" as a paid consultant to Carver Associates, but the real purpose would be to secure an extremely well-placed source in the revolution.

In time, Mr. Bani-Sadr was elected president of Iran.

Mr. Ahern called the results to CIA headquarters. "Although the meeting was brief, there were a sufficient number of indicators to suggest that there may be an opening to obtain subject's cooperation."

These precise details of a major spy enterprise were derived from CIA documents. For months, the documents containing the details of the operation have been available to anyone in Tehran willing to purchase a set of 13 volumes of U.S. secret documents.

Hundreds of highly sensitive documents were captured and reconstructed after the 1979 embassy takeover and then published in paperback with commentaries in Persian for popular consumption.

The Tehran documents, most of which have been authenticated by U.S. sources, provide U.S. estimates of the regime of the late shah, Mohammed Reza Pahlavi, the fundamentalist forces the toppled him and the struggle to preserve U.S. influence in Iran.

When a free-lance journalist, William Worthing, returned from Tehran in December, Customs officers in Boston seized one set shipped by him, contending that the reprinted documents were stolen government property, but the journalists had shipped other copies to the United States. They made these available to The Washington Post.

Did the CIA succeed in its effort to recruit the future president of revolutionary Iran? No, says Mr. Bani-Sadr, now in exile in Paris, although he confirms that an offer was made.

The captured documents describe three meetings between Mr. Cassin and Mr. Bani-Sadr, but do not indicate that the CIA ever paid him anything. None of the American participants in the episode would respond to requests for interviews. The CIA declined to comment.

After the embassy takeover it took the Iranian militants many months to sort out the captured papers and piece together hundreds of documents that had been shredded by embassy staffers in the final hours of the assault on Nov. 4, 1979.



Abolhasan Bani-Sadr

that he was busy with his own work, but that Mr. Cassin responded that the consulting would take only half an hour from time to time.

"I told him \$5,000 for a half hour, that's corruption," Mr. Bani-Sadr said in the interview. "I told him to go away."

Although the documents do not confirm the accusation and Mr. Bani-Sadr denies it, his associates on Page 2, Col. 4

Police, Youths Battle in New Gdansk Clashes

By Thomas W. Netter
The Associated Press

WARSAW — Police fought street battles with youths in Gdansk over the weekend in the first major reported outbreak of violence since the martial law crackdown. The violence occurred Saturday but was not reported until Sunday. Telephone communications with Gdansk are cut, and Western reporters are not allowed to travel outside Warsaw.

The Interior Ministry said that eight policemen and six civilians were injured in the Gdansk rioting, and 205 people were put in detention and were to face summary trials. The violence occurred Saturday but was not reported until Sunday. Telephone communications with Gdansk are cut, and Western reporters are not allowed to travel outside Warsaw.

The broadcast said that the trouble erupted when groups of young people failed to provoke passing workers in the street into a demonstration.

An Interior Ministry communiqué carried by PAP said that the incidents began outside the Lenin shipyards and appeared to spread or be accompanied by other incidents in the city center.

Foreign Radio Assailed

The state-run media have repeatedly lashed out at Radio Free Europe, the Voice of America and other foreign radio stations for "insulting" Poles to oppose the martial law authorities.

During the melee, some protesters ignored authorities' calls for order, attempted to storm public buildings and "behaved aggressively" toward police, the communiqué said, adding that calm prevailed by Sunday.

It said participants shouted slogans and distributed "anti-state" leaflets and said the incidents "caused by irresponsible elements are a serious violation of martial law decrees."

Warsaw radio said that authorities "have systematically undertaken and introduced many moves which make the rights and difficulties caused by the martial law easier. This was taken advantage of by the instigators of the actions, against the interests and the desires of the community awaiting stabilization and order."

The radio added: "The more severe regulations which have now been introduced express the authorities' determination to maintain calm and order, so essential to our country today."

Authorities have said relaxation of martial law has been possible because of Poles' compliance with the crackdown and have announced that hundreds of the 5,000 people detained have been released because of the order observed by the Polish society.

[Solidarity] sources said, meanwhile, that the union leader, Lech Walesa, has now been officially interned but is willing to start talks with the government in the presence of the international community.

(Continued on Page 2, Col. 5)

Gandhi, Pakistani Minister Agree On Friendship Pact Commission

NEW DELHI — Prime Minister Indira Gandhi and the visiting Pakistani foreign minister, Agha Shahi, agreed Sunday to form a joint commission that would set guidelines for a lasting peace between the two neighboring countries.

Mrs. Gandhi earlier offered to sign a friendship treaty with Pakistan and pledged that India will never attack its neighbor. Agreement on such a pact was expected to take several months of diplomacy between Islamabad and New Delhi.

After Sunday's meeting between Mrs. Gandhi and Mr. Shahi, an Indian spokesman said, "The prime minister of India proposed and the foreign minister of Pakistan accepted the establishment of an India-Pakistan joint commission which would meet periodically to deal with bilateral relations."

The spokesman said the commission would tackle "suspicions and misgivings," alluding to deep-rooted disputes that have festered since the two nations fought wars in 1948, 1965, and 1971.

Mrs. Gandhi also told Mr. Shahi, "We regard the stability and strength of our neighbors as part of our strength," the spokesman said.

The commission will deal with all problems in Indian-Pakistan relations. The two nations have restrictions on bilateral communications, travel, cultural exchanges and trade links.

"Our treaty with the Soviet Union is just what it says: it is a friendship treaty," Mrs. Gandhi told Pakistani journalists on Saturday. "We are willing to have a friendship treaty with you."

Mr. Shahi, who arrived here Friday on a four-day visit, has emphasized that the negotiations were of a preliminary nature, with each

side seeking clarifications of the other's position.

The talks were held four months after Pakistan proposed that the two nations renounce the use of force against each other.

In her talk with the Pakistani journalists, Mrs. Gandhi criticized the manner in which Pakistan first proposed the agreement last year, saying that it was almost an afterthought to an announcement of arms purchases from the United States. The proposal, she said, "created an impression as if India was the one that was waging war and Pakistan was making a magnificent offer."

She said that India, under the leadership of her father, Jawaharlal Nehru, had first made such a proposal in 1949.

Mrs. Gandhi affirmed that "past or no past," India, the victor of all three wars with Pakistan, would not attack Pakistan.

Chancellor Helmut Schmidt of West Germany said: "With our friends in Europe and America, we demand of the Polish leadership: Lift martial law, let the detainees go free, return to the national dialogue with the church and with the elected leaders of Solidarity."

He was among several Western heads of state to record messages for the Polish television special which was produced by the U.S. International Communications Agency. The entertainers Orson Welles, Kirk Douglas, Frank Sinatra and Charlton Heston also participated.

Nationwide Rallies

In the United States, the AFL-CIO organized solidarity rallies in all 50 states, with major rallies in 16 cities.

The principal U.S. rally was in Chicago, which has the largest Polish community outside Poland. An estimated 10,000 people turned out to hear speeches by Lane Kirkland, the AFL-CIO president, and by Mr. Haig.

Repression in Poland has "cast a long dark shadow over East-West relations," Mr. Haig said, and he read the crowd a message from President Reagan.

Mr. Reagan's message said: "There is a spirit of solidarity

Day of Rallies Calls for End To Polish Rule

LONDON — Thousands of people marked Solidarity Day in rallies from Tokyo to Bonn demanding an end to martial law in Poland.

Western leaders added their voices in a U.S.-produced television program called "Let Poland Be Poland," sent around the world Sunday by satellite.

Demonstrations were held Saturday in Vienna, London, Brussels and in several cities in West Germany, in Nottingham, England, and Cardiff, Wales. An estimated 2,400 Japanese union members marched in Tokyo. Ten thousand people gathered in Chicago to hear Secretary of State Alexander M. Haig, Jr. denounce repression in Poland.

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U.S. Studies New Ways To Block Gas Pipeline

WASHINGTON — One month after President Reagan announced economic sanctions against the Soviet Union for its "heavy and direct responsibility for the repression in Poland," the administration is studying new steps that could delay or block the completion of the largest single East-West project — the multibillion natural gas pipeline from Western Siberia to Europe.

A working group in the administration is considering an attempt to extend trade sanctions to European companies that plan to produce turbines, compressors and other equipment for the pipeline project under license from U.S. firms that are themselves forbidden from providing pipeline components.

U.S. officials who favor the tough approach acknowledge that cooperation from European governments in enforcing sanctions against European firms would be helpful, but they contend that there are steps that the United States might be able to take on its own to force the European companies to comply.

Delays in the completion of the new pipeline would strike the Soviet economy because Soviet planners are counting on natural gas exports to provide most of the country's hard currency earnings in the last half of this decade, when oil exports are expected to decline.

The congressional Office of Technology Assessment concluded in a study just released that "gas is the key to the Soviet energy future

Such an arrangement presumably would end the prolonged dispute between China and the United States over continued U.S. weapons sales to the Nationalists on Taiwan. Peking first proposed it to the Reagan administration three months ago when the sale of advanced warplanes was under consideration.

The Reagan administration has since decided not to provide the sophisticated fighter-bombers Taiwan wanted, saying that the Taiwanese did not need them but also acknowledging that sale of the planes would have caused a rupture in U.S. relations with Peking.

U.S. Concession

That decision was a major concession to Peking. U.S. officials said, although there were dissatisfaction in Peking with the way the decision was reached and disclosed.

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China May Ease Stance on Taiwan Arms Sales

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na has refused to cooperate with the United States against the Soviet Union on the issue of Poland, according to congressional officials.

John H. Holdridge, the assistant secretary of state for East Asian and Pacific affairs, told the Senate Foreign Relations Committee in closed session last week that Chinese leaders consider the turmoil in Poland to be an internal affair and will not interfere.

Mr. Holdridge, who recently returned from a visit to Peking, said the Chinese leaders made clear that they would not encourage any labor union — an allusion to Solidarity, the independent Polish union — to stand up against its government because they did not wish to see the same thing happen in China.

Mr. Holdridge also told the committee, according to the officials, that the Chinese insisted that the United States set a deadline for ending arms sales to Taiwan. Mr. Holdridge said the Reagan administration had instructed him to refuse to make such a commitment.



Lidiya Vashchenko arrives at a Moscow hospital, where she reportedly ended a hunger strike.

Soviet Doctors Say Pentecostalist Ends Hunger Strike in Hospital

MOSCOW — Soviet doctors told an American diplomat Sunday that a Pentecostalist woman who was hospitalized after a monthlong hunger strike in the U.S. Embassy had taken food.

The woman, Lidiya Vashchenko, 31, was transferred Saturday from the embassy to Moscow's Botkin Hospital after U.S. diplomats decided that embassy medical facilities were not adequate to treat her.

She and six other Pentecostals — her parents and her son — have lived in a basement room at the embassy for 43 months in hopes of being granted visas to leave the country.

Listed as Stable

Miss Vashchenko and her mother, Augusta, 52, stopped eating solid food to protest what they said was U.S. indifference to their attempts to emigrate. They say they are not free to practice their religion in the Soviet Union.

The Botkin Hospital, used by foreign residents, diplomats and high-ranking Soviet officials, did not allow U.S. consular officer

James Struble to visit Miss Vashchenko Sunday, but told him she was in "stable condition" and had ended her hunger strike, the spokesman said.

"He was told she was in the intensive care unit of the hospital, but would be transferred to another unit later," an embassy official said. "He was told that she had taken some liquids and solids."

Mrs. Vashchenko's health has not deteriorated as quickly as her daughter's, and there were no immediate plans to hospitalize her, an embassy official said.

Psychiatric Treatment

Mr. Struble and embassy physician Dr. John Schadler, who accompanied Miss Vashchenko to the hospital, were told they would be able to visit her Monday.

A hospital nurse refused to discuss the case over the telephone with an Associated Press reporter Sunday. On Saturday, a nurse said Miss Vashchenko had taken tea and broth.

Warren Zimmermann, the U.S. chargé d'affaires, said Soviet authorities had given no assurances about her treatment or future.

In the past, Soviet citizens who

have managed to rush into the U.S. Embassy to bring their grievances to the attention of American officials have subsequently been jailed or confined to psychiatric clinics by Soviet authorities.

To guard against the latter possibility, Dr. Schadler prepared an affidavit stating that in treating Miss Vashchenko he had found "no evidence of psychosis."

Mr. Zimmermann said U.S. authorities had asked for permission to evacuate Miss Vashchenko to a hospital in the West but were refused.

Miss Vashchenko and the six other Pentecostals rushed into the embassy compound in June, 1978, after years of efforts to leave the country. They were granted "humanitarian refuge."

U.S. officials, including President Reagan, had urged the Vashchenkos to break their fast.

An estimated 200,000 of the 500,000 Pentecostals in the Soviet Union are in defiance of a law that requires them to register with a government office. Between 20,000 and 30,000 of them are seeking to leave the Soviet Union, Western sources say.

INSIDE ROK Nationalism

South Korean nationalism continues to shadow the country's relations with Japan. More and more Koreans are coming to feel that Japan, South Korea's wealthy neighbor, is shirking its responsibilities in backing away from Seoul's request for a huge increase in aid. Page 4.

Altered States

In the year between President Reagan's inauguration and his first State of the Union message, a remarkable change has taken place in the state and local governments that he wants to show with authority. The combination of reduced federal aid and the recession have cut deeply into the ability of those governments to take on new responsibilities. A News Analysis, Page 3.

Stanley Holloway

British actor Stanley Holloway, who became an overnight success at 66 as Eliza Doolittle's father in "My Fair Lady," is dead at 91. Page 4.

U.S. to Ask \$100 Million More in Salvador Aid

WASHINGTON — The White House will ask Congress to increase military and economic aid to El Salvador by \$100 million this year and seek further increases in the next fiscal year, according to administration officials.

Military aid for the current fiscal year is \$25 million, and all forms of economic aid total about \$110 million. The economic and military aid request for fiscal 1983, which begins next October, is to be made in the president's budget presentation next month and is expected to amount to about \$300 million.

The officials also said that an additional \$25 million will be needed to replace aircraft and helicopters destroyed by a guerrilla attack in El Salvador last week. This represents about half of El Salvador's military air capability.

Administration officials explained these moves as a reaffirmation of existing policy — supporting the regime of President José Napoleón Duarte, urging changes on his government, resisting guerrilla demands for direct negotiations, and building toward general elections in April to strengthen the political center.

Above all, they reiterated that administration policy is to stem

the expansion of Soviet, Cuban and Nicaraguan influence in Central America.

Behind this reaffirmation are considerable differences within the administration over whether the situation in El Salvador is stable and may be improving, or is deteriorating, perhaps sharply. Almost all of the officials interviewed acknowledged that they do not have great confidence that they really know which side is winning.

There are also rumblings among isolated administration officials about the policy itself. Particularly among military officers, questions are being raised about whether the current approach can deal with a deteriorating situation and not just a stable one.

Key officials in the State Department and the Pentagon say they found this kind of thinking based on misplaced fears of "another Vietnam." Mr. Reagan, they insisted, will never send U.S. troops to fight in El Salvador.

A third train of thought, centered mainly among liberals and moderates in Congress, is calling for direct negotiations between the guerrilla front and the Duarte government, apparently with a view to establishing a coalition government. This is also the starting point of the guerrilla front position, and it has no support inside

the administration. To administration officials, a coalition government would only fall into the hands of the guerrillas, as it has in Nicaragua.

All of these policy tangles lay just beneath the surface last week when Mr. Reagan, as required by law, moved to free military aid to El Salvador by certifying that the Duarte regime was making an effort to end abuses of civil rights and was making progress toward political and economic reform.

That finding was expected to be challenged in congressional hearings this week.

The president's certification also came in the face of further troubles in El Salvador last week. There were new accounts of continuing atrocities by government troops. Officials said they had found no corroboration for these accounts. Guerrillas also successfully attacked the government's biggest air base near San Salvador.

Central American Package

Administration officials said that the big increase in aid planned for El Salvador would be part of a larger military and economic aid package for Central America. This new package would be 50 percent to 60 percent larger than in current fiscal year, they said.

This year, regional totals are about \$230 million in economic

aid and \$105 million in security assistance to, besides, El Salvador, Costa Rica, Honduras, Guatemala and Panama.

Increased aid as a boost to political reform and economic stability now seems to be at the center of administration policy toward the area, but for some time, the policy was not clear at all.

Last February, Secretary of State Alexander M. Haig Jr. spoke as if Central America had become the new arena of East-West conflict. He maintained that the administration would draw the line in El Salvador, and that if necessary, the United States would "go to the source" of aggression in the region, meaning to Cuba or even to the Soviet Union.

This was quickly followed by the publication of a study that purported to prove that the guerrillas in El Salvador were receiving substantial equipment and direction from Moscow and Cuba through the government in Nicaragua.

Subsequent admissions by the administration cast serious doubt on whether the evidence in the paper was valid, but the administration did not back away from its judgment about substantial Cuban involvement.

Shortly afterwards, the White House let it be known to Congress

(Continued on Page 2, Col. 1)



Brig. Gen. James L. Dozier and his wife, Judith, who is carrying flowers, leave church Sunday in Vicenza, Italy.

Dozier Kidnappers Linked To Other Terrorist Actions

By Henry Tanner
New York Times Service

ROME — At least three of the five terrorists who kidnapped Brig. Gen. James L. Dozier are long-time members of the Red Brigades who were involved in major terrorist operations in the past, police officials say.

The officials said Saturday that the Carabinieri paramilitary police had identified Antonio Savasta, believed to be the leader of the kidnappers, and Cesare Di Leonardo as also having played important roles in the kidnapping and killing of Giuseppe Taliercio, a leading industrialist, near Venice last summer.

Mr. Savasta and Emilia Libera, one of the two women among the five terrorists captured by the security forces that freed Gen. Dozier Thursday, have also been described as participants in the kidnapping and killing of former Premier Aldo Moro in 1978 and in a long string of other killings and abductions.

On the day they were captured in Padua, in northern Italy, Mr. Savasta and Miss Libera were sentenced in absentia by a court in Cagliari, Sardinia, to 30 years in prison for attempted homicide during a shootout with policemen there in 1980.

Saturday, the police arrested 12 more persons in connection with the killing of Mr. Taliercio. The arrests were made in Brescia, midway between Milan and Verona, where Gen. Dozier was kidnapped six weeks ago.

A Weapons Link

Mr. Taliercio was an executive of the giant Montedison Chemical Co. in Mestre, the industrial town on the mainland opposite Venice. Ballistic experts examining weapons found in possession of the terrorists who held Gen. Dozier said the weapons had been used in killing Mr. Taliercio.

Gen. Dozier, the highest-ranking U.S. officer assigned to NATO forces in Italy, was abducted from his residence in an unguarded apartment building in Verona Dec. 17. He was freed Thursday in Padua, 50 miles (80 kilometers) east of Verona, when a special anti-terrorist squad stormed the second-floor apartment that had served as his prison and overpowered the armed terrorists without firing a shot.

Gen. Dozier's rescue is regarded as the Red Brigades' greatest defeat in the roughly 11 years of the leftist terrorist group's existence.

A police official in Padua Saturday told reporters that "we are only at the beginning," meaning that huge police operations have been launched to exploit the information gathered from terrorists in the last few days.

Mr. Savasta had been identified as the key figure in the gang that captured and held Gen. Dozier. Police officials, apparently reflecting the general's testimony, have also said Mr. Savasta was the man who interrogated the American, who is deputy chief of staff for logistics and administration at NATO headquarters for southern Europe. The interrogation was conducted in Italian even though the general is reported to have only a slight command of the language.

The charge that Mr. Savasta and Miss Libera participated in the kidnapping and killing of Mr. Moro was made a few weeks ago by Ferdinando Imposimato, the Rome magistrate who is heading the investigation of the still-unresolved case.

Mr. Imposimato also said that Mr. Savasta and Miss Libera took part in the killing of Riccardo Palma, a Rome magistrate, a few weeks before Mr. Moro was abducted.

Mr. Imposimato listed at least eight other terrorist operations in which evidence of the couple's involvement has been found, including attacks on magistrates, lawyers and policemen. At least 60 persons were killed in these attacks, including the five men in Mr. Moro's police escort. Mr. Savasta's role in the Moro case was to procure the car in which the former premier's body was left in Rome, Mr. Imposimato said.

Industrialist Rescued

CERVINIA, Italy (UPI) — The police stormed an apartment here and freed a kidnapped industrialist being held for ransom. The industrialist was identified as Giuseppe Pasini, 71, who was kidnapped Dec. 18 in Milan.

Reagan to Ask \$100 Million In New Aid for El Salvador

(Continued from Page 1)

and the news media that the feelings there were that Mr. Haig had made too much of the matter.

In the meantime, however, aid to El Salvador was increased and U.S. military advisers were dispatched.

In mid-July, Thomas O. Enders, assistant secretary of state for inter-American affairs, gave what

Indonesian Party Split on Elections

United Press International

JAKARTA — Islamic religious leaders have withdrawn from Indonesia's Moslem Party, splitting the country's main opposition to President Suharto less than two months before the start of a national election campaign.

The religious leaders decided Saturday to withdraw in protest against the party submitting a list of election candidates to Mr. Suharto's government for approval, said a spokesman for the Ulama (Islamic religious teachers) council.

Until the split the Moslem Party appeared strong enough to challenge the supremacy of the pro-government majority Golkar Party in the election campaign starting March 15.

Libyan Cadets Reported to Arrive In Poland for Military Training

By John Darnon
New York Times Service

WARSAW — Amid signs of a new warmth in relations between Poland and Libya, Libyan troops are arriving in Poland to undergo special training, according to Western sources.

The sources said that 161 Libyan cadets, aged between 18 and 23, arrived in Warsaw on a Boeing 747 last Monday. A second group of 60 cadets arrived Thursday, they said.

The cadets were taken to a military base for what is presumed to be training in special weapons use. It is believed that the training program was arranged under the auspices of the Soviet Union.

The development is another sign of growing ties between Warsaw and Tripoli after the imposition of martial law in Poland Dec. 13, and it coincides with a worsening of relations between Washington and Tripoli and between Washington and Warsaw.

'Many-Sided Contacts'

The Libyan leader, Col. Moamer Qadhafi, was one of the first leaders outside the Soviet bloc to express support for the military takeover and subsequent "normalization" of political life.

According to the Jan. 7 issue of the Polish Communist Party newspaper, Trybuna Ludu, Col. Qadhafi told a session of the General People's Congress in Tripoli that Libya had "many-sided contacts with Poland."

According to the newspaper, the Libyan leader went on, "We welcome the normalization of the situation in that country and express the conviction that Poland will successfully resolve its existing difficulties and will continue building the Socialist society."

Col. Qadhafi charged that the United States was responsible for political unrest in Poland and that the Reagan administration was in the forefront of a campaign to launch a "frontal attack" on the Polish "forces of progress and independence," the newspaper said.

The Libyan's remarks were followed by a flurry of high-level exchanges. On Jan. 12, Gen. Tadeusz Hupalowski, a member of the 21-man ruling military council who is close to Gen. Wojciech Jaruzelski, the Polish leader, visited Tripoli and met with Col. Qadhafi. He delivered a letter from Gen. Jaruzelski in a meeting that the Polish press agency described as "an opportunity to express the mutual will to strengthen and expand many-sided fraternal cooperation."

The agency said that the letter concerned Polish-Libyan cooperation "in the light of the current situation in Poland and the support accorded by Libya and its leader for the steps undertaken by the People's Republic of Poland aimed at the normalization of life in the country and at overcoming the socio-economic crisis."

On Jan. 20, Foreign Minister Jozef Cyrankiewicz, the newly nominated secretary of what is called the People's Committee of the Libyan People's Bureau in Warsaw, Ramadan Abdullah el-Haddi. The next day, extensive publicity was given to the arrival of five planeloads of medicine, baby formula and food from Tripoli.

At the time, Zycie Warszawy, the major Warsaw daily, quoted a member of the People's Committee as saying that further talks were under way to expand Polish-Libyan trade and to double the number of Polish specialists working in Libya. The paper said that about 14,000 Poles were working there. Most are involved in construction projects, road building and communications installations, and the projects represent a sizable gain in hard-currency foreign exchange for Poland.

Some Western economic experts believe that Warsaw is trying to arrange a lucrative oil deal. Until 1979, 30 percent of Poland's oil imports came from Arab countries, but now its annual supply of 14 million tons, for lack of hard currency, comes almost entirely from the Soviet Union. Oil imports fell 2.8 million tons last year.

A report in Trybuna Ludu indicated that Gen. Hupalowski, who once served as deputy chief of staff under Gen. Jaruzelski, also held talks with Libyan officials on industrial development. Whether the talks were held during a second trip was not clear.

Some European countries don't stamp passports on arrival or departure. If the Libyans do the same, we have no way of knowing from the passport whether someone has left Libya or not," said Albert Kreibitz, passport officer in the U.S. Consulate in Rome.

Job Shifts Likely

Many of the Americans remaining are oil engineers who have been working in the Libyan desert for 10 or more years. They are expected to go to work for the Libyan government or European firms.

For some of the old timers, it's the only life they know," an American oil executive said.

The five U.S. oil companies operating in Libya — Occidental Petroleum Corp., Mobil Corp., Conoco Inc., Marathon Oil Co. and Amerasia Hess Corp. — have hired Canadians and West Europeans to replace their departing Americans. They reported few difficulties in making the change.

"If the order to leave was intended as some kind of punishment to Qadhafi, then it's been a failure," a top American oil executive said.

Like the Americans, the new arrivals said they felt safe in Libya. "It doesn't seem that anybody is in any danger at all," said a 28-year-old British accountant a week after he arrived to take an American's old job.

No Deadline Set

The U.S. government did not set a deadline when it urged Americans to leave Libya. The White House said it hoped the departure would be "expedient" and the State Department predicted that nearly all Americans would be gone by the end of January.

The government threatened once to impose unspecified sanctions if necessary to force U.S. citizens to leave. Later, however, State Department officials admitted privately that they had little, if any, power to make the Americans go.

At the same time that it asked

Some Americans Defy U.S. Call to Quit Libya

By Robert McCartney
The Associated Press

ROME — Some Americans in Libya are ignoring their government's call to leave, and Libyan immigration police have helped a few to flout the ban on travel there, according to reports from Libya.

Of the 1,500 Americans who were living in Libya on Dec. 10, most left when the U.S. State Department urged them to because they supposedly were not safe there. The U.S. action followed reports that Col. Moamer Qadhafi, the Libyan leader, had sent assassins to murder President Reagan.

But a few Americans say they are staying on, reluctant to give up high-paying jobs or uproot their families.

"My wife and I will stay as long as it's legal. We don't feel in any physical danger and I'd like at least for my son to finish the school year in June," said Skender Brance, a 46-year-old native of Cleveland, reached by telephone in Tripoli. He has worked for 10 years as recreation director at the U.S. consulate school for foreign children there.

At least a dozen other Americans are planning to stay, and possibly more, according to Brance and other Americans in Tripoli. They have the legal right to do so, as long as they do not leave Libya and then return.

"There's always going to be this element. I'm sure some Americans are still living in Ha Noi," one U.S. oil company executive in Tripoli said.

The U.S. government did not set a deadline when it urged Americans to leave Libya. The White House said it hoped the departure would be "expedient" and the State Department predicted that nearly all Americans would be gone by the end of January.

The government threatened once to impose unspecified sanctions if necessary to force U.S. citizens to leave. Later, however, State Department officials admitted privately that they had little, if any, power to make the Americans go.

At the same time that it asked

range a lucrative oil deal. Until 1979, 30 percent of Poland's oil imports came from Arab countries, but now its annual supply of 14 million tons, for lack of hard currency, comes almost entirely from the Soviet Union. Oil imports fell 2.8 million tons last year.

A report in Trybuna Ludu indicated that Gen. Hupalowski, who once served as deputy chief of staff under Gen. Jaruzelski, also held talks with Libyan officials on industrial development. Whether the talks were held during a second trip was not clear.

Some European countries don't stamp passports on arrival or departure. If the Libyans do the same, we have no way of knowing from the passport whether someone has left Libya or not," said Albert Kreibitz, passport officer in the U.S. Consulate in Rome.

Job Shifts Likely

Many of the Americans remaining are oil engineers who have been working in the Libyan desert for 10 or more years. They are expected to go to work for the Libyan government or European firms.

For some of the old timers, it's the only life they know," an American oil executive said.

The five U.S. oil companies operating in Libya — Occidental Petroleum Corp., Mobil Corp., Conoco Inc., Marathon Oil Co. and Amerasia Hess Corp. — have hired Canadians and West Europeans to replace their departing Americans. They reported few difficulties in making the change.

"If the order to leave was intended as some kind of punishment to Qadhafi, then it's been a failure," a top American oil executive said.

Like the Americans, the new arrivals said they felt safe in Libya. "It doesn't seem that anybody is in any danger at all," said a 28-year-old British accountant a week after he arrived to take an American's old job.

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Marchers in Tokyo carry signs showing their support for Solidarity, the Polish union.

International Marches Protest Polish Rule

(Continued from Page 1)

abroad in the world today that no intimidation can crush. By our actions we demonstrate our solidarity with the people of Poland. Their cause is ours."

In an appearance on the television show, President Reagan accused the Soviet Union of backing brutal suppression in Poland and warned that the United States was ready to act firmly if the crisis continued to worsen.

"If the events in Poland continue to deteriorate we will take further steps," he said.

He continued: "We have announced sanctions against the Polish military government and the Soviet government that backs its suppression. If events in Poland continue to deteriorate we will take further steps."

Leaders from 14 other countries joined President Reagan in the 90-minute \$350,000 spectacular. The International Communications Agency said the program would be beamed to 50 countries Sunday, but few television networks — and hardly any in NATO nations — planned to carry it.

The Polish authorities retaliated with a television program showing Mr. Reagan and scenes from U.S. involvement in Vietnam and other military actions with commentators claiming that the United States was in a period of decline that had created a wave of con-

servative sentiment in the country that had swept Mr. Reagan into the presidency.

The commentators described Mr. Reagan as a simplistic and jingoist conservative who was surrounded by aides ignorant of world affairs.

Tass assailed the U.S. show's "provocative character," that would feature a "moldy team" of "old Hollywood pals — for instance, Frank Sinatra, a singer who is as close to the Mafia as he is far removed from politics."

"Star Performer"

But it said the "star performer" would be Mr. Reagan himself, "who will put all his Hollywood professionalism into copious tears over Polish counterrevolution and slander the Socialist system."

But Western leaders, many of whose governments have declined to join in U.S.-sponsored economic

sanctions against the Soviet and Polish regimes, participated in the show.

Mr. Schmidt, in a telegram aides said he would read for the camera, declared: "The oppression of freedom in Poland is a severe moral challenge."

Prime Minister Margaret Thatcher of Britain said: "In Poland today the flame of freedom may seem to burn less brightly. But it has not been extinguished, nor can it be. Sooner or later, the oppressors will understand that they cannot impose their will upon men and women who ask only that Poland may truly represent the indomitable spirit of the Polish people."

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States, Cities Unprepared for 'New Federalism'

Recession and Reduced U.S. Aid Diminish Ability to Take Over Programs

By John Herbers
New York Times Service

WASHINGTON — In the year between President Reagan's inauguration and his first State of the Union Message last week, a remarkable change has taken place in the state and local governments that he wants to shower with authority.

It is a change that could be critical to the success or failure of his plan to turn over the bulk of U.S. government programs to state capitals.

The combination of reduced aid from Washington and the recession have cut deeply into their ability to take on new responsibility.

Moreover, the citizens' tax revolt that began in the 1970s, although still alive, has been stopped at least for the time being. States, cities and counties are now raising taxes as President Reagan is lowering them on the federal level. They are doing so in most cases not to provide more services but as a sheer necessity to make ends meet. Virtually every tax increase has been accompanied or preceded by slashes in basic services.

Long before he took the wraps off his new proposals, Mr. Reagan set off a revolution by announcing to state and local governments that while raising taxes many are cutting back drastically in scope, appealing to private enterprise to perform either through contract or charity services traditionally performed by government. And they are seeking to sell to private interests much of their capital stock, such as transportation fleets and public buildings.

Even so, states from Florida to Washington were like dazed fighters on the ropes last week when the president promised to restore them to prominence in the federal system.

The chairman of the National Governors' Association, Richard A. Seeling of Vermont, said that the crucial question was whether the states could recover by the time they started receiving the federal programs in October, 1983.

President Reagan and his associates insisted that the states, after a decade of change, were eminently capable of taking over. That assertion, however, does not go to the question of their fiscal plight.

What many of the governors wanted from the president but did not get was help in taxing authority to mitigate the budget cuts and meet

NEWS ANALYSIS

new responsibilities handed them last year when dismantling of U.S. government programs began.

Following are some of the developments that underscore their feelings.

● **Revenues.** Three years ago, many states were flush with revenues to the point of cutting taxes and refunding surpluses. However, a survey of the 50 states last month showed that more than half had recently increased taxes and fees to offset anticipated deficits and an even higher number had new tax proposals under serious consideration.

The National Conference of State Legislatures has reported that despite tax increases and deep cuts in services, the fiscal officers in most states were conservatively estimating general fund balances at the end of the fiscal year at less than 5 percent of expenditures. Unlike the federal government, states cannot have operating deficits, and a 5-percent balance is considered a prudent cushion.

● **Cities.** Most major cities have been chronically pressed for revenues in recent years. Cuts in U.S. government aid have hurt them

more than the states. In the late 1970s many states were beginning to extend new assistance to their cities, but that move has been stopped as the states have run out of funds.

● **Inequities.** Hardships due to loss of federal funds and the recession have fallen inequally on the states and regions and have exacerbated the regional conflicts that had been building in recent years. The report of the Joint Economic Committee said both the tax increases and cuts in services have come predominantly in cities with declining populations and high unemployment rates.

And it is the states where most of the depressed cities are located, primarily in the Northeast and Middle West, that are — with the exception of Oregon and Washington — under the greatest fiscal stress.

With one or two exceptions it is the states now hard pressed that in the past have provided the highest level of public services. Whether those states can recover in time to assume the responsibilities Mr. Reagan would give them without enormous cutbacks is dependent, of course, on the economy and the extent of further budget cuts.

But virtually everyone agrees that there is likely to be less federal money, after inflation, going to the state and local governments in the next few fiscal years; and some of the states' own money troubles are deep-rooted in declining economies.

The most cynical view — that the president wants to wipe out much of domestic government at all levels — is not an uncommon one. Gov. Hugh L. Carey of New York said Mr. Reagan "views the new federalism as a new feudalism." And in state after state, the most ardent Reagan supporters want to do there what the president has been doing at the federal level — cut taxes, reduce services and let the localities provide for themselves.

Congress Veto On Agencies Struck Down

Court Cites Conflict With Balance of Powers

By Laura A. Kiernan
and Fred Barbash
Washington Post Service

WASHINGTON — A three-judge federal appeals panel has declared unconstitutional the congressional veto, which has been used increasingly in recent years by the House and Senate in attempts to reverse decisions by federal regulators and executive branch agencies.

The decision, in a natural gas pricing case, could affect provisions in more than 200 federal statutes — ranging from foreign policy to the environment to federal election law — that allow Congress to strike down executive actions on its own, without further reference to the president.

Some legislative veto provisions allow any house of Congress to overturn an agency action, and some require both. But in neither case must Congress send its resolution of disapproval to the president for his signature. Defenders in the long-standing and often bitter controversy over its use say it is the elected legislature's most effective means of controlling the government bureaucracy.

The unanimous ruling Friday by a panel of the U.S. Circuit Court of Appeals in Washington was the broadest decision yet in this dispute over the balance of power among the three branches of the federal government. The U.S. Supreme Court has agreed to review the decision, which struck down a narrower decision, which struck down an immigration law provision permitting one house of Congress to override a Justice Department decision in a deportation case.

Power Violation Held

Friday's decision held that legislative vetoes violate the fundamental allocation of power set out in the Constitution and allow Congress to intrude on executive authority.

The opinion said that if Congress wants to tell the executive branch how to act or what to do, the Constitution provides only one way: by a vote of both houses of Congress. Resulting legislation must then be sent to the president for his signature or veto.

"We are aware that our decision today may have far-reaching effects on the operation of national government," Judge Malcolm R. Wilkey wrote in a 104-page opinion. But he said the panel felt it had no choice.

The legislative veto was a device that enabled Congress "to expand its role from one of oversight, with an eye to legislative revision, to one of shared administration," Judge Wilkey wrote. "This overall increase in congressional power contravenes the fundamental purpose of the separation of powers doctrine."

Natural Gas Case

The panel's decision came in a case involving the Natural Gas Policy Act of 1978, in which Congress related federal price controls on natural gas.

Congress decreed in that act that industrial gas users should bear more of the cost of deregulation than residential users. But when the Federal Energy Regulatory Commission issued a regulation in May, 1980, to carry out this provision, the House vetoed it, thereby threatening to shift more of the cost back to householders.

The constitutionality of the veto provision in the act was challenged in the appeals court by the Consumer Energy Council of America, the Consumer Federation of America and Ralph Nader's Public Citizen litigation group. They charged that the unilateral veto by Congress deprived the president of his own veto power, infringing on the doctrine of separation of powers and violated the constitutional provision that both the House and Senate must pass laws.

Both houses of Congress, which entered the case, argued that the veto did not change the law. Such limited exercises amount to a legitimate sharing of power that Congress gave to these agencies in the first place, they contended.

Liberals in U.S. Protest Church Role In Drive to 'Help Us to Buckle Up'

Washington Post Service

WASHINGTON — The National Highway Traffic Safety Administration, in a move criticized by some liberals concerned about the separation of church and state, has asked the nation's religious leaders to help promote its stepped-up campaign to get people to wear seat belts.

Along with the National Safety Council, the highway administration is asking churches and synagogues to designate the weekend of Feb. 13 and 14 as "National Safety Sabbath" for all Americans to join in "a religious fellowship to rediscover the safety belt."

The safety council has mailed 3,000 National Safety Sabbath



TRIBUTE TO FDR — Franklin D. Roosevelt Jr., 68, the son of President Roosevelt, and other members of the family lay flowers at the grave site of the former president and his wife, Eleanor, at Hyde Park, N.Y. The former president was born 100 years ago Saturday.

Arms Sales Seen as Major Lever Of Foreign Policy for Russia, U.S.

By Charles Mohr
New York Times Service

WASHINGTON — A newly published book contends that the sale of military weapons and equipment has become the major instrument of foreign policy for both the Western powers and the Soviet Union.

The book, commissioned by the Council on Foreign Relations and written by a senior research fellow of the council, Andrew J. Pierre, is entitled "The Global Politics of Arms Sales."

Mr. Pierre takes a less disapproving stance than some writers about the steadily increasing scale of arms sales by the major industrial powers to the developing nations. But he argues that there is a risk that the Reagan administration may be overestimating the value and underestimating the long-term dangers of arms sale policy as a means of achieving global "leverage."

The book draws attention to major increases in both the quantity and quality of international arms transfers. Such sales have grown, Mr. Pierre reports, from a worldwide total of \$9.4 billion in 1969 to about \$21 billion yearly in the early 1980s.

In contrast to the 1960s, when most arms sales involved surplus and almost obsolete weapons, technologically advanced equipment is now being sold.

"The Reagan administration's approach toward arms sales is one of the major differences between its foreign policy and that of preceding administrations," Mr. Pierre writes.

Jimmy Carter, in a presidential directive issued in early 1977, ordered that arms sales should be viewed as an "exceptional foreign policy implement."

Mr. Pierre suggests that, although the Carter administration ultimately granted numerous exemptions and was unsuccessful in trying to impose dollar ceilings on sales, the attempt to impose restraints did send a message to the Pentagon and to many other nations. In the first 15 months of Mr. Carter's term, 614 requests totaling more than \$1 billion were turned down, according to government statistics.

Russia Overtaking U.S.

The Reagan policy, made public last July 9, clearly views arms sales as a major, rather than exceptional, implement of foreign policy. The book quotes a senior official of the State Department as saying early last year that arms sales were "the currency in which foreign policy is now dealt."

Mr. Pierre also describes the absence of specific policy guidelines as striking. He says President Reagan offered to supply about \$15 billion in weapons and military help to other nations in his first three months in office.

But, Mr. Pierre writes, arms sales play a greater role in the Soviet Union's policy toward the Third World than they do in U.S.

policy. Although the total monetary value of U.S. sales has been the world's highest, the Soviet Union may soon overtake it in sales and deliveries.

The book says the Russians have in the last decade greatly improved their ability to make long-range deliveries and have stockpiled large reserves.

The book also reveals some paradoxes. For instance, to make the 1978 Camp David peace agreements more attractive to key Middle East nations, the Carter administration offered \$4.5 billion in

military assistance to those nations in less than three years.

A major rationale, Mr. Pierre writes, is a belief that the supplier gains enduring influence with the recipient. But he points out that the client nation often turns against the supplier, as Egypt did against the Soviet Union.

The record of the United States in Iran, which received about \$12 billion in American arms, is also criticized as having "exhibited a degree of irresponsibility or shortsightedness seldom matched in the postwar world."

could thus seek more financing, Mr. Miller said.

"There's an irregularity about it, there is no question about it," he added.

Mr. Miller said Mr. Reagan was "upset" when he learned of the changes. "I was terribly upset myself, and indignant," he said. "That's an understatement. I think that any person who tries to deal honestly and fairly would feel upset, indignant and victimized by having signed documents that were altered."

Zoller Industries began negotiating for Mr. Reagan's house in the fall. The negotiations continued until Jan. 15, when Mr. Miller said he learned of the two sets of papers. The talks were broken off Jan. 18, Mr. Miller said.

Mr. Reagan's house was sold in an unrelated transaction on Friday, about a year after it had been offered for sale. Steven J. Halpern, a lawyer, and two Halpern family trustees bought the house for an undisclosed price.

Mr. Miller said he had earlier signed an escrow agreement to sell the house to Zoller Industries for \$1.03 million in cash and bonds. But photocopied papers later given to the savings and loan executive said the house was being sold for \$1.9 million, Mr. Miller said.

Mr. Miller said he did not know who had made the changes.

He said he had been told that a loan can be secured for a maximum of 80 percent of the purchase price of the house. If the buyer claimed a higher purchase price, he

French, Saudis Agree On Navy Training Pact

BAHRAIN — French Defense Minister Charles Hernu signed an agreement in Riyadh Sunday with the Saudi Arabian Defense Minister, Prince Ben Abdul Aziz, to improve training facilities for the kingdom's navy, the Saudi press agency reported.

France already has a 14.5-billion franc (\$2.5-billion) contract to re-equip the Saudi Navy with missile-firing frigates, supply ships, coastal defense installations and helicopters for naval warfare.

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'New Federalism' to Include Cuts in Funding

By Caroline Atkinson
and Herbert H. Denton
Washington Post Service

WASHINGTON — The federal trust fund proposed by President Reagan to finance more than 40 programs that would be turned back to the states as part of his "New Federalism" is several billion dollars short of what it would cost to sustain those programs at current levels, administration officials have acknowledged.

Administration officials, in describing the president's proposal last week, said Friday it would not cost the states any money when it started in fiscal 1984.

The trust fund would be financed out of federal excise taxes and the federal windfall profits tax on oil. These would be adequate to pay for the 43 programs until they were turned over to the states, officials said.

But they did not mention that during shifting these programs to the trust fund they planned to cut them substantially in the fiscal

1983 budget, which the president will send to Congress next month.

"I was ready to tell anyone who asked," Edwin L. Dale Jr., spokesman for the Office of Management and Budget, said of the plan to cut the programs before shipping them off, but "why emphasize it?"

He said the new cuts, and the difference between earmarked funds and current costs, would be less than \$5 billion.

"We made it clear to governors that we are proposing further cuts," said Richard S. Williamson, the president's assistant for intergovernmental relations. "It isn't anything we're trying to hide."

Mr. Williamson and Mr. Dale also said Friday that Congress does not approve the new cuts the administration will adjust its plan to make sure that the states do not lose in the plan's first year.

Either the trust fund would be increased, or the number of programs to be returned to the states reduced to keep the states whole, he said.

Mr. Williamson, one of the key aides involved in drafting the federalism plan, sought to separate it from the coming battles to cut domestic spending. He said the questions being raised about spending levels came from people who want to "continue on the liberal agenda that was rejected by the voters."

"The real question is what is the goal, and the goal is we want to try to return equivalent revenue sources with the responsibility," he said.

Figures Didn't Add Up

The discovery of the funding discrepancy came when Brad First, Washington representative for the state of New York, and analysts for the American Federation of State, County and Municipal Employees added up the current costs of the programs that the administration has suggested could be returned to the states.

They found that it was larger than the \$30.3 billion the administration had included in its calculations.

The 43-program trust fund is a part of the Reagan plan that would be maintained until 1991. The fund would be kept at its starting level for four years, then reduced as the spending taxes were phased out. Ultimately the 43 federal programs would cease to exist; states could continue them and raise the revenue to pay for them or not, as they chose.

In addition, Mr. Reagan proposed a swap in 1984 under which the federal government would take over the state share of Medicaid while the states assumed the federal share of Aid to Families with Dependent Children plus the food stamp program, now all federal. Administration officials said this, too, would come out even.

But officials conceded that to make it do so they assumed Congress would also make some cuts in AFDC and food stamps this year that would reduce by \$3.7 billion this burden the states would be taking on.

Reagan 'Flunked' by Press Group On Most Open Government Issues

Washington Post Service

WASHINGTON — The Reagan administration deserves "a failing grade" for its stance on almost every issue involving openness in government, according to the Society of Professional Journalists.

It said Saturday in a review of 10 issues that the steps taken by President Reagan and his administration last year constituted "a fundamental result on the First Amendment." The 28,000-member group faulted Mr. Reagan for holding fewer news conferences than any first-year president in at least 50 years.

Among the society's criticisms were:

● Administration efforts to downgrade the Freedom of Information Act and make it easier to withhold information from the public. Many of the proposals have been incorporated in a bill approved by a Senate Judiciary subcommittee.

● Administration backing of a bill, already passed by the House, which would, for the first time, criminalize the publication of information derived from the public record. The bill could subject journalists and others to prison terms for disclosing the names of present and former CIA agents.

● Drafting of an executive order that would make it easier for government agencies to classify information as "top secret," "secret" and "confidential" and much harder for them to declassify it.

Other steps that alarmed the society ranged from CIA cutbacks on background briefings and public information to White House attempts to plug "politically inappropriate news leaks" and White House claims of executive privilege as applicable to the entire "deliberative process" of the executive branch. The only performance that won a passing grade was the administration's opposition to efforts by UNESCO "to regulate journalists around the world and impose governmental controls on the flow of news."

Israeli Cabinet Accepts European Role in Sinai

Reuters

JERUSALEM — The Israeli Cabinet cleared the way Sunday for West European participation in a Sinai peacekeeping force after the territory is returned to Egypt in April.

Following months of diplomatic wrangling, the Cabinet accepted the participation of Britain, France, Italy and the Netherlands, a Cabinet spokesman said.

Israel had objected to terms set by the Europeans, who originally linked participation in the force to a call for Palestinian involvement in the Middle East peace process. The spokesman said the government unanimously approved the deployment of West European units in the force.

Assurances Brought by Haig

The final obstacle to European participation was removed during last week's visit by U.S. Secretary of State Alexander M. Haig Jr. The Israeli Cabinet spokesman said better Mr. Haig brought provided certain assurances that Israel was seeking.

The dispute centered on a reference by the European nations to a European Economic Community declaration made in 1980 at a Venice summit meeting. The declaration called for Palestinian self-determination and a role for the Palestine Liberation Organization in peace talks.

Israel had insisted that the Europeans avoid any reference to the Venice declaration. The details of the final clarification have not been published.

The force is expected to number

Gangs Stone Policemen In England, Injuring 2

United Press International

BRISTOL, England — Rival youth gangs pelted police with rocks and two gasoline bombs, injuring two officers, one of them in the eye, in a second night of street disturbances, a police spokesman said Sunday.

The spokesman said six youths were arrested in the southwestern city Saturday night for offenses including theft of a vehicle, public disorder and assault on a police officer. Seven were arrested Friday night. The spokesman said the incidents followed the stoning Friday night of one man.

Turks Hint at Quitting Europe Advisory Group

The Associated Press

ANKARA — Head of state Gen. Kenan Evren hinted Sunday that Turkey might withdraw from the Council of Europe if European governments attempted "interference in Turkey's internal affairs."

Gen. Evren's statement, in a radio address to the nation, was a reaction to a resolution passed Thursday by the parliamentary assembly of the 21-nation Council of Europe.

The resolution stopped short of demanding Turkey's expulsion from the council, but strongly condemned alleged human rights violations and suspension of democratic freedoms by Gen. Evren's 16-month-old military government.

The Council of Europe is active in promoting human rights and its

Cambodia Using Biological Arms, U.S. Data Shows

Los Angeles Times Service

WASHINGTON — Blood samples drawn from victims of an attack in Cambodia indicate that the Soviet-backed government there is continuing to use biological weapons, according to the State Department.

The department said Friday that the samples, drawn by medical personnel from nine individuals exposed to a biological weapons attack last fall, were analyzed by a University of Minnesota researcher and by the U.S. Army Medical Research Institute of Infectious Diseases at Fort Detrick, Md.

The test results, the officials said, indicated that mycotoxins of the trichothecene group were used in the attack. Mycotoxins, a deadly poison that can cause vomiting of blood, blurred vision and loss of consciousness, have been found in high concentrations in both Cambodia and neighboring Laos.

The United States has charged that the Soviet Union has supplied the poisons to governments in Laos, Cambodia and Afghanistan for use against insurgents. Pentagon officials have speculated that the practice is part of a Soviet program to perfect the techniques of biological and chemical warfare.

State Department officials said the blood samples were turned over to a United Nations investigation team that was named last year to investigate the allegations. The UN team is meeting in Geneva and is expected to begin work in Pakistan shortly.

Arab League Talks Delayed

United Press International

TUNIS — A meeting of Arab League foreign ministers, originally scheduled Feb. 7, has been postponed until Feb. 12 because member countries want the session to follow the UN General Assembly debate on Israel's annexation of the Golan Heights, the subject of the league meeting, a spokesman said.

Warsaw Pact Ends War Maneuvers

The Associated Press

VIENNA — Six days of Warsaw Pact military maneuvers, involving 25,000 troops from Czechoslovakia, Hungary and the Soviet Union and a mock chemical warfare exercise, have ended successfully, Czechoslovakia's CTK news agency reported.

Gen. Martin Dzur, the Czechoslovak defense minister, said the maneuvers demonstrated "the firm unity and coherence" of Warsaw Pact forces, and were a "guarantee for collective security."

The maneuvers included full-scale mock battles, night games and a mock chemical warfare exercise, CTK and the East German news agency ADN reported. They took place in Czechoslovakia's western Bohemia region, not far from the East and West German borders, and were supervised by Viktor G. Kulikov, a Soviet marshal who is supreme commander of the Warsaw Pact forces, CTK reported.

U.S. Quietly Reviving Its Presence in Chad

By Alan Cowell
New York Times Service

NDJAMENA, Chad — Each morning, John P. Blane, the U.S. chargé d'affaires here, clambers aboard a boat to cross the Shari River from Kousséri, Cameroon, where he lives, to Ndjamena, where he works, joining many other commuters who are pored and paddled across the muddy waters in dugout canoes.

The U.S. official's mode of travel recalls earlier centuries in parts of Africa with ancient trade routes. But when Mr. Blane reaches the Chad side, a more modern note is struck. Here a sleek black limousine awaits him. If Mr. Blane has official business with the Chadian government, the limousine's driver will unfurl the U.S. flag on the fender, adding a dash of color to the drab, bullet-scarred streets of Ndjamena.

The diplomat's daily trip is one aspect of a resurgent U.S. presence in Chad after the pullout of Col. Moamer Qadhafi's Libyan forces, who intervened in Chad's civil war in December, 1980, and left at the government's request last November.

On a recent trip aboard the pontoon ferry crossing the Shari, two U.S. officials accompanied a pickup truck laden with blue and white striped mattresses marked with the word "State," presumably signifying ownership by the U.S. State Department. The mattresses will probably be used in official U.S. residences.

American Voices

A day later, a U.S. Air Force C-141 transport plane landed in Ndjamena to unload a U.S. military raft that will help Nigerian troops in the Organization of African Unity's Chad peacekeeping force to organize supply lines. That evening, in the gloom of a power cut, the restaurant at one of Ndjamena's two hotels echoed with the voices of U.S. diplomats and military attaches.

The revival is being conducted with caution, apparently reflecting some debate about its timeliness and the desirability of creating too high a U.S. profile in Chad.

The U.S. Embassy in Ndjamena closed in March, 1980, and U.S. personnel were evacuated during the civil war that pitted President Goukouni Oueddei against his principal rival, Hissene Habré.

After the Libyans intervened, the United States made its return to Chad and the resumption of aid conditional on the withdrawal of Col. Qadhafi's troops and Western diplomats said, on the return of security in Chad.

The Libyans have gone, but Western diplomats say the Americans are debating whether it is safe to come back while Mr. Habré's troops are still in revolt in wide areas of eastern Chad.

U.S. officials in Chad and in

Cameroon declined to comment on the debate, but conversations with American sources left the impression that the United States was anxious to avoid the appearance of unqualified support for Mr. Goukouni.

Keeping a low profile is a bit tricky in Ndjamena, a city with few foreigners. U.S. aid and support for the African peace force have added to the impression of a big U.S. presence here. American sources said, however, that there will be only four people at the U.S. Embassy when it formally reopens in a few weeks.

The Americans are not the only ones returning to Chad. Western sources said France, the former colonial power, is leading the return, albeit discreetly. The sources said the French pay the salaries of Chad government officials, supply Mr. Goukouni with light arms and ammunition, provide aid workers and technicians, and are expected to be the first to re-establish a fully accredited embassy.

Such official contacts are accompanied by emissaries on less public business. Some Frenchmen in Ndjamena say they work for private companies that they shy from identifying; others clutch briefcases with the satisfied determination of those who have just clinched a big deal.

Among the returnees is Victor, a Lebanese Christian who said his family lived in Chad for 55 years before the civil war. In wheeling and dealing, he said, his family amassed 25 properties, most of them now ruined by war or taken over by squatters. He said he is seeking some form of reparation, or some other way of turning misfortune into profit.

One thing he hopes to do is lease a house to the Americans, so that Mr. Blane will have somewhere to live and be able to move from the "American house" — an unofficial listening post — in Kousséri. As of last week, Victor said, "my problem is not resolved."

In the meantime, work has been going on to open a U.S. Embassy. The former embassy building in central Ndjamena is too damaged to be reopened without great expense, so a low-cost operation has been mounted to turn the former ambassador's residence into an embassy.

The exercise has had its moments. In a wall of the residence, workers discovered an unexploded 155mm shell whose fuse had detonated but whose explosive charge was still intact. One man had the delicate job of removing the shell and emptying it.

A U.S. official, recounting his return to the house he had lived in before the evacuation, said he found the swimming pool clogged with human bones. It had been used as an impromptu morgue during the war.

Sikkim's Former King, 58, Dies in New York

New York Times Service

NEW YORK — The deposed king of Sikkim, 58, who had been undergoing treatment for cancer here, died Friday night from complications following an operation at the Memorial Sloan-Kettering Cancer Center.

A family spokesman said his body was to be flown to Sikkim for the funeral.

As prince of Sikkim, the former Himalayan protectorate of India that has since become an Indian state, Palden Thondup Namgyal married an American debutante, Hope Cooke, on March 29, 1963. The Indian government disapproved of the marriage of the prince, a Buddhist leader, to a foreigner. But the prince brushed aside the objection. Miss Cooke, an Episcopalian, did not convert to Buddhism.

The couple settled down in Gangtok, the capital of Sikkim. The prince assumed full power as chogyal, or king, upon the death of his father, Sir Tashi Namgyal, in 1964.

The chogyal ruled 200,000 subjects in a country rising 5,000 feet above sea level in the Himalayas, bordered by India, Bhutan, Nepal and China. He said he intended to strengthen the national identity of his country.

In 1973, after a coup and Indian intervention, he was stripped of his powers and kept in his

palace under virtual house arrest. His wife and their two children fled Sikkim to live in New York. In 1973, the legislature in Sikkim formally deposed him and abolished the monarchy.

Palden Thondup Namgyal, who was born May 22, 1923, came from a royal house of Tibetan origin. After his older brother, Paljor, was killed in action in 1941 while serving as an officer in the Indian air force, the prince became heir to the throne.

In 1949, he headed a team that negotiated a treaty with India, making Sikkim an Indian protectorate. The two countries were tied by hundreds of years of tradition and a common fear of Chinese expansion.

In 1950, the future king married Sangay Deki, the daughter of a Tibetan nobleman. She died in 1957, after bearing two sons and a daughter.

Two years later, in Darjeeling, India, about 25 miles (40 kilometers) from Gangtok, the prince met Miss Cooke, then an 18-year-old student from Sarah Lawrence College, who was spending the summer in Europe and Asia.

Strategic Importance
The chogyal's downfall came as a result of his increasingly cool relations with India and political leaders in Sikkim itself. In 1973, India, which had always considered Sikkim of strategic



The king of Sikkim with his wife in New York in 1965.

importance because of its China border, apparently decided that the chogyal had gone too far in his campaign for Sikkimese autonomy.

Hope Namgyal returned with her two children to the United States and enrolled them in a private school in New York. Fearing retribution from her husband's enemies, she has maintained a low profile, speaking only occasionally in public.

In 1975, the Sikkimese legislature abolished the 333-year-old monarchy and declared the king a commoner, though he was allowed to retain his position as a spiritual leader. Later in the year India annexed Sikkim as its 22d state.

While relations between the

chogyal and his wife remained cordial, she obtained a separation in 1978 and an uncontested divorce in 1980.

Since 1979, the government in Gangtok had permitted the former king to enter and leave the country, but not to travel freely within Sikkim.

He visited New York in 1980 to take his son, Palden, and daughter, Hope, to Sikkim for the summer. His wife opposed the trip, saying it might not be safe, but a New York state judge ruled that it probably would be safe, and the trip was made without incident.

Last September, the former king returned to New York and was admitted to the Sloan-Kettering center.

Stanley Holloway Dies; Played Mr. Doolittle

From Agency Dispatches

LONDON — Stanley Holloway, 91, who became an overnight success at age 66 as Eliza Doolittle's father in the musical "My Fair Lady," singing "With a Little Bit of Luck" and "Get Me to the Church on Time," died Saturday three weeks after a stroke.

Mr. Holloway began his show business career at the same time Charlie Chaplin was becoming fa-



Stanley Holloway ... in Mr. Doolittle role.

the Lord God, Providence, has been kind."

Malcolm C. Moos

MINNEAPOLIS (NYT) — Malcolm C. Moos, 65, a political scientist who wrote speeches for President Eisenhower and later was president of the University of Minnesota for seven years, was found dead, apparently of natural causes, Thursday in his lakeside cabin in Hackensack, Minn.

Mr. Moos joined the Eisenhower staff in 1957 after teaching political science at Johns Hopkins University for 15 years. He returned to academic life after Mr. Eisenhower left office and in 1967 was named president of the University of Minnesota. Later he served one-year terms as president of the Fund for the Republic and of the Center for the Study of Democratic Institutions.

In 1978 he ran unsuccessfully for the Republican nomination from Minnesota to the U.S. Senate.

Junzo Ohnoki

TOKYO (AP) — Junzo Ohnoki, 70, president of Japan's leading economic daily, the Nihon Keizai, died Thursday of a heart ailment.

Frank J.W. Goldsmith

ORLANDO, Fla. (AP) — Frank J.W. Goldsmith, 79, who escaped on the Titanic in 1912, died Wednesday, one day after another survivor, Helen Delaney, died in Council Bluffs, Iowa.

Cigarette Pack Warning Is Ineffective, U.S. Says

By Michael deCourcy Hinds
New York Times Service

WASHINGTON — "If I felt smoking was really and truly detrimental to my health, there is no question I would stop smoking," said Milton Eldridge, a cab driver who has chain-smoked while driving through Washington's streets for the last 40 years. What about the health warning that appears on every pack of cigarettes? "I don't pay attention to it and I'm not sure it is meant for me," he said.

His remarks sum up the reasons why the Federal Trade Commission reported last year that the warning is ineffective and why several congressmen recently introduced legislation to make the message more explicit. But Mr. Eldridge's remarks also echo the tobacco industry's argument that smokers know the hazards involved and take the risk anyway.

For example, the Tobacco Institute, which represents the major manufacturers, contends that the 10-year-old warning has alerted "virtually everyone" about what it terms "the smoking and health controversy." The industry's position is that there is no proof that smoking causes any disease and that there are only "statistical associations" linking smoking and a variety of illnesses, including seven types of cancer, heart disease, emphysema, chronic bronchitis, miscarriages, stillbirths, birth defects, and reduced birth weights.

But the federal agency, charged by Congress to review cigarette advertising, completed a five-year investigation of cigarette advertising practices and consumer behavior. The staff concluded that people do know, in a general sort of way, that smoking is not a good idea. But people do not know the risks specifically, based on responses to many national polls cited in the report.

Surprisingly, the polls found that:

- Twenty-four percent of heavy smokers did not know smoking is dangerous.
- Forty percent did not know that smoking caused most cases of lung cancer.
- Sixty percent did not know that smoking causes most cases of emphysema.
- Fifty percent did not know that smoking causes many heart attacks.
- Fifty percent of teen-agers did not know that smoking is addictive.
- Forty-one percent of smokers did not know that smoking will shorten their expected lifespan.

The Tobacco Institute disputes the commission's interpretation of the polls, contending that a respondent who does not believe that smoking causes premature death is not ignorant of the allegation, but skeptical of the assumption.

But the staff concludes that "after nearly a decade, the current warning has been overexposed and has simply worn out." Less than 3 percent of adults ever read the warning and the warning is often implicitly contradicted by the advertisements themselves, it adds. Advertisements "are frequently

filled with rugged, vigorous, attractive, healthy-looking people living energetic lives full of success and athletic achievement, free from any health hazards," it adds. "It is possible that these ads make it difficult for the health warning to be effective and may further increase the possibility of deception."

Last month, legislation was introduced in both houses of Congress that closely follows the FTC's recommendation to replace the abstract warning with specific cautions about lung cancer, emphysema, birth defects, and heart disease. One warning at a time would be displayed and then rotated every three months with the other warnings. A consumer lobbying organization, the Health Research Group, has also recommended that a skull and crossbones be added to the warnings.

Although the tobacco lobby has powerful allies in Congress, Rep. Henry A. Waxman, Democrat of California and the sponsor of one bill, believes the measure may pass.

Anti-Icing Device Was Turned Off in Washington Crash

New York Times Service

WASHINGTON — An anti-icing device in the engine system of an Air Florida passenger jet had been turned off when the plane plunged into the Potomac River in a snowstorm on Jan. 13, the board investigating the crash has said.

The crash killed 74 of the 79 persons aboard the Boeing 737 and four persons on the 14th Street Bridge, which the plane struck before falling into the river.

Francis McAdams of the National Transportation Safety Board emphasized Thursday that the cause of the crash has not been determined. But he called on the Federal Aviation Administration to warn the airline industry about the hazards of flying in icy conditions. That body said Thursday that it had relayed the board's recommendations to domestic and foreign carriers.

Among the factors being investigated in the Air Florida crash, Mr. McAdams said, is the possibility that engine icing was not detected by the flight crew and caused instruments in the pilot's cabin to underestimate engine power. Although ground crews had de-iced the plane, it waited at least 43 minutes before being cleared for take-off, Mr. McAdams said. There was evidence that new ice may have formed.

The safety board said ground workers had removed ice from the jet at one point. But it said it was concerned "about the effects of aircraft waiting in line in proximity to the airplane ahead of them." Mr. McAdams said that the heat of the engine exhaust of a first solid cause, moisture to form on the plane behind it and "lead to unanticipated buildups of ice."

Seoul Presses Tokyo for Huge Increase in Aid

South Koreans Accuse Japanese of Shirking Their Responsibilities

By Tracy Dahlby
Washington Post Service

SEOUL — Towering above the long, gray boulevard that runs to the stone ramparts of Kyongbok Palace in the heart of Seoul is a statue of Adm. Yi Sun Sin, who is commemorated for repelling a Japanese invasion nearly 400 years ago.

The old warrior, a symbol of Korean nationalism, still has a bearing on relations with Japan. Among the older generation there are bitter memories of the 36 years of Japanese colonial rule that ended in 1945. Younger South Koreans' sensitivities dwell on what they view as a vast advantage for Japan in economic relations.

What these perceptions add up to is an attitude here that Japan, South Korea's wealthy neighbor, is shirking its responsibilities in restoring Seoul's request for a huge increase in aid.

South Korea is asking for \$6 billion in low-interest loans for eco-

nomics development during the five years ending in 1986. Korean officials argue that the funds would contribute to the stability of the region at a time when this country is forced to divert a large share of its resources to its military budget.

Temperatures cooled somewhat since South Korea made the request last August, but the issue continues to churn up strong emotions in both countries. One senior Japanese Foreign Ministry official said, "Over the next five years we will have \$7.5 billion in (economic assistance) for all of Asia. What makes the Koreans think they are entitled to \$6 billion?"

'Not a Bangladeshi'

To the South Koreans it is quite simple. According to their statistics, the country has piled up nearly \$22 billion in trade deficits with Japan since 1965. In their view, that entitles them to considerably more than the roughly \$83 million a year in economic aid they now receive from Japan.

"It's not because we are hard up that we are asking Japan for this money," a senior South Korean official said. "But when North Korea has a two-to-one military advantage ... we have to spend a considerable portion of our resources on defense and sacrifice in the economic sector. We are not a Bangladesh asking Japan for a handout."

Nonetheless, Seoul could use the money. The economy has begun to recover from its steep decline in 1980. But with the country's industrial engine still sputtering, domestic stability will depend, foreign economic analysts in Seoul said, on President Chun Doo Hwan's ability to keep the economy growing at a healthy rate.

What galloped the Japanese, apart from the magnitude of the aid request, was South Korea's claim that its military spending was, in effect, helping to defend Japan, and entitled Seoul to aid as a compensation.

South Korea spends roughly 6 percent of its \$58-billion gross national product on defense, while Japan, whose GNP is 20 times larger, spends 0.9 percent.

South Korea's argument raised an uproar in Japan, where officials asserted that the antiwar provisions of Japan's constitution ruled out economic assistance on the basis of military considerations. Japan is under strong pressure from the Reagan administration to increase military spending, and many Japanese suspected that the United States, which maintains 40,000 troops in South Korea, encouraged Seoul to press its claims.

Seoul has since stepped back from using the idea of military burden-sharing as a bargaining chip. In working-level talks earlier this month, South Korean officials made it clear that the loans would be earmarked for building schools, hospitals, subway lines, dams and other nonmilitary projects, according to a senior Foreign Ministry official in Tokyo.

The two-day session ended inconclusively, and officials on both sides privately conceded that they remain seriously at odds.

While few South Koreans expect Tokyo to provide the full \$6 billion, officials in Seoul have insisted that Japan commit itself to a lump sum to cover the five years under discussion.

The Japanese have said they will consider South Korean requests only one year at a time and only after Seoul has presented more detailed proposals for projects. Sen-

ior Foreign Ministry officials in Tokyo suggested, however, that Japan may be willing to designate an overall amount pending a closer study of Seoul's shopping list.

Officials said the two sides will hold further talks with the aim of settling the dispute at a meeting of foreign ministers this spring.

The dispute has delayed a meeting between Mr. Chun and Japanese Premier Zenko Suzuki, originally expected last last year.

Political relations between the two countries always have been fragile, but now Korean leaders are insisting on a more equal and open relationship. They cite widespread complaints that postwar ties have been dominated by an "old boy" network of Japanese businessmen and politicians and that South Korean counterparts involving alleged profiteering. Mr. Chun has vowed to end what is referred to here as "back-door" dealing with Japan.

Observers here note that Mr. Chun and many of the South Koreans in positions of influence today are products of a postwar system of education that rejected forced learning of Japanese language and customs during colonial days. In this generation are many who, as college students or young bureaucrats or military officers, bitterly opposed restoring diplomatic ties with Japan in 1965.

Under that agreement, Japan granted South Korea \$500 million in reparations and low-interest loans. But, said Kim Yoon Hwan, a prominent Korean government-party politician now in his late 40s, many people felt that the money "couldn't compensate for the years of forced labor, discrimination and expropriation of property under colonial rule."

Today, Japanese officials complain that the younger officials are less knowledgeable than their elders in dealing with Japan and have closer ties with the Americans.

High Art and Prejudice

Younger Koreans tend to be more sensitive than their parents about what they view as Japanese attitudes of superiority and Japan's attempts to dominate South Korea's economy. Stories of alleged discrimination against the 630,000 Korean residents in Japan frequently appear in Korean newspapers, and the planeloads of Japanese-sponsored groups that come to South Korea on "sex tours" keep anti-Japanese sentiments here on the boil.

The Japanese, who centuries ago borrowed much of the high art and culture of the Asian continent through Korea, today tend to play down the past.

Business leaders question the wisdom of providing large amounts of aid to South Korea because the country has cut into Japanese export markets in steel, shipbuilding, heavy construction and machinery.

Mr. Suzuki has tried to promote more amicable relations with South Korea. At a press conference last week he said, "Our relations with [South Korea] are inseparable and ... not only benefit our two countries, but are important for the peace and stability of Asia."

Nevertheless, officials in Tokyo suggested that a large package of economic aid for South Korea is likely to be difficult for the Suzuki administration to sell to Japanese voters, many of whom have deep prejudices against Koreans.

Meanwhile, one Japanese specialist on Korea observed, "Korea sees itself as a mentor with a long history of being dominated by a former disciple. The Koreans are not about to bow their heads to Japan."

French Ban Import Of Italian Wines Following Protests

Reuters

PARIS — France has suspended imports of Italian wine for three weeks, risking condemnation from the European Economic Community, after a wave of protest by French winegrowers.

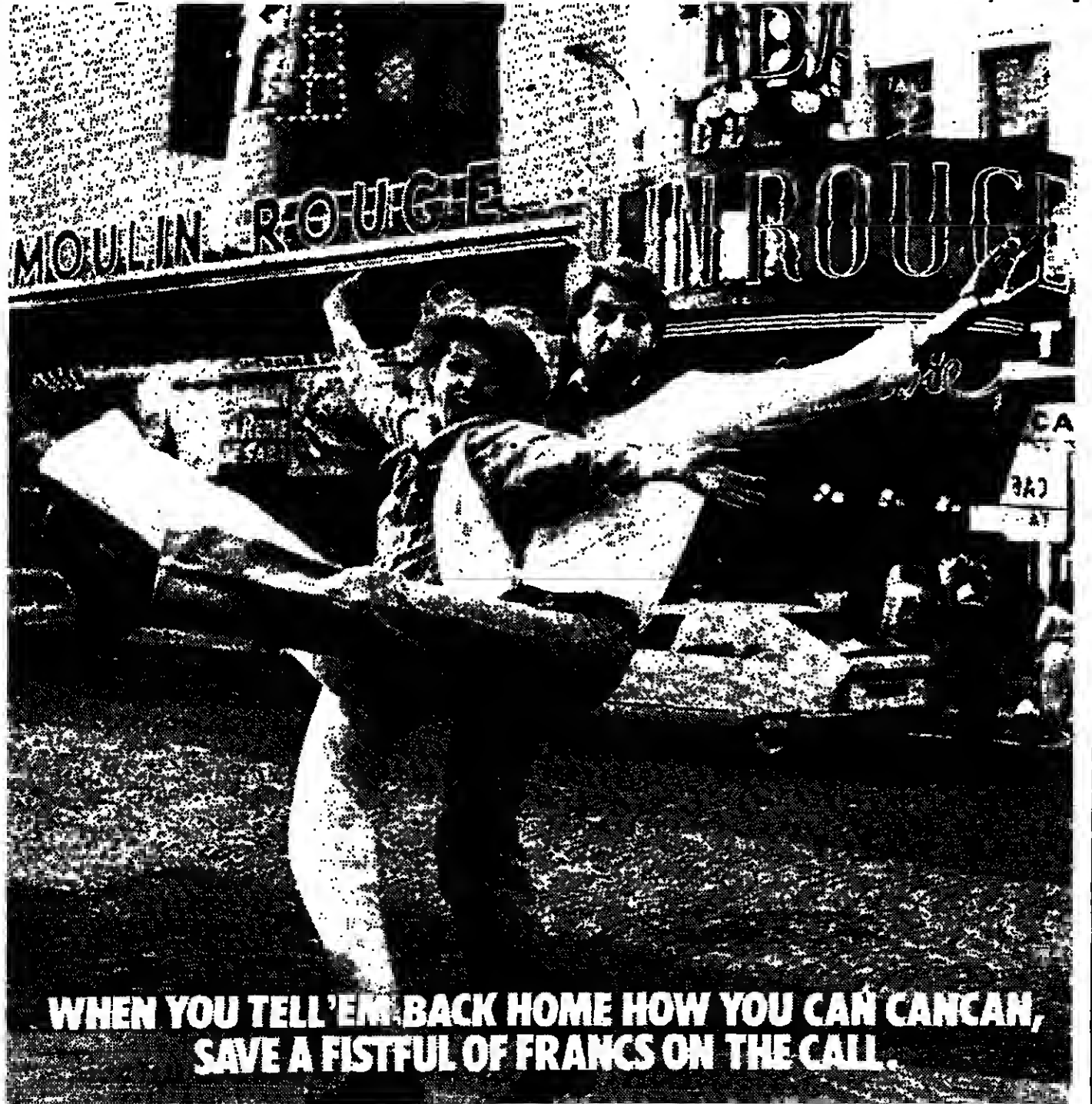
The ban, the second in six months, was ordered Friday. Militant winegrowers, mainly in the Aude and Hérault regions, have demonstrated widely over the past two weeks, attacking and emptying a dozen tanker trucks bringing wine from Italy. They say the Italian imports prevent them selling their produce.

Their action has been part of a protest by farmers complaining that they are losing their livelihoods because of low farm prices guaranteed by the European Economic Community and low-price imports.

Now...is that you on the left? Not bad. You can still shake a leg.

Spanish Blockade Lifted

IRUN, Spain (Reuters) — Spanish truck drivers lifted Sunday a three-day blockade of this Basque country border crossing after receiving pledges of speedier customs handling and increased protection on French territory, police sources said. The drivers were protesting a go-slow by French customs and attacks in France by farmers.



WHEN YOU TELL 'EM BACK HOME HOW YOU CAN CANCAN, SAVE A FISTFUL OF FRANCS ON THE CALL.

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SAVE ON SURCHARGE

Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and

call. No Teleplan? Read on! **SAVE WITH A SHORTIE** In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back. The surcharge on short calls is low. And you pay for the call-back from the States with dollars, not local currency, when you get your next home or office phone bill.

SAVE THESE OTHER WAYS

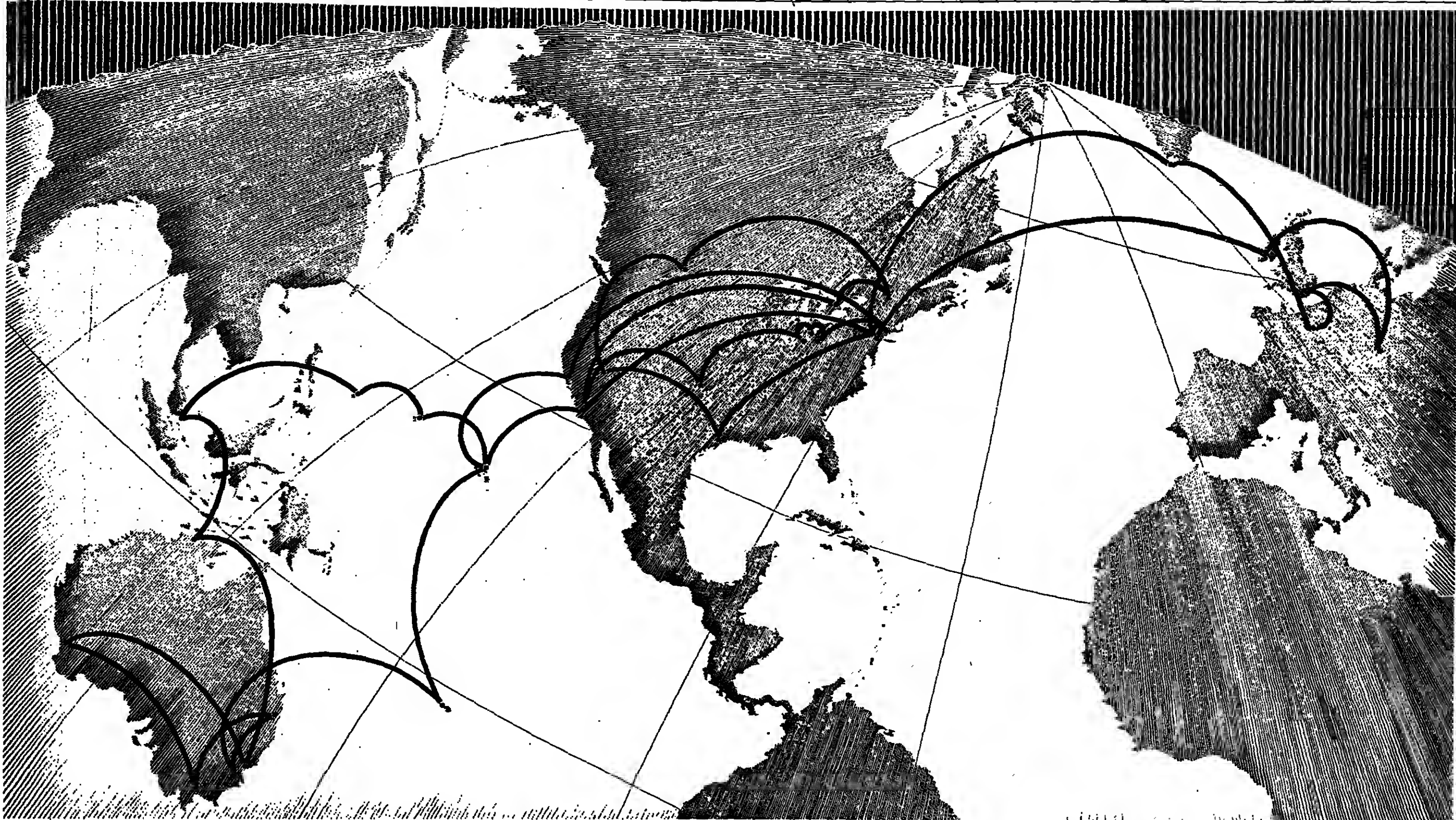
Telephone Company credit card and

collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

Now...is that you on the left? Not bad. You can still shake a leg.



Reach out and touch someone



When you fly a new corporate jet over 70,000 miles in 48 straight days, virtually anything can happen. In fact, virtually nothing did.

By now, you may be aware of the fact that the Canadair Challenger will fly its passengers more economically and in greater comfort than any other intercontinental corporate jet in the world.

What you may not be aware of is the success with which the first Challengers have already done so.

A crucial point illustrated best, we feel, by an actual case history.

What we did with this aircraft in less than two months, you probably wouldn't do in five months.

On September 14, 1981, Canadair Challenger #5 left its home base in Hartford, Connecticut with a crew of three, flew to New York to pick up eight passengers, flew to Long Beach, California for the National Business Aircraft Association Convention, flew 13 demonstration flights in two days, then left immediately for Honolulu and the Western Pacific.

The itinerary included Wake Island, Guam, Singapore, Kuala Lumpur, Penang, Paya

Lebar (Singapore), Darwin, Sydney, Perth, Melbourne, Essendon (Melbourne), Brisbane, Canberra, Pago Pago, Honolulu again, and finally San Francisco, Bridgeport and Hartford.

Total miles flown: 36,000. Total days: 20. Total takeoffs and landings: 60. Average hours flown per day: 4.7. Total hours flown: 93.4.

Dispatch reliability: 100%. Special maintenance and support provisions: none.

Which is not to say that, with its Pacific tour completed, the Challenger had arrived back in Hartford for a respite.

The next morning it refueled and flew to Europe.

And, by the sheerest coincidence, so did another corporate jet.

Duel over the Atlantic.

On October 4 and 5, respectively, the Canadair Challenger and another corporate jet flew New York to Vienna, with a stop in Shannon, Ireland.

As the chart below will show you, the Challenger arrived exactly three minutes later, and exactly \$2,367.12

cheaper. One way.

(Incidentally, based on computer projections of their manufacturers' own data, even some far smaller corporate jets with shorter range would not have achieved any meaningful advantage over the Challenger in fuel efficiency, while some corporate jets of comparable size would have required about 1/3 more than the Challenger.)

Which is still not to say that the Challenger then flew home for a respite.

Instead, it flew home for a tour of North America. By way of London, Paris, New York, Houston, Las Vegas, Pittsburgh, Montreal, Toronto, Calgary, Los Angeles, Cincinnati, Kansas City and Akron. To name just a few of the stops.

Total miles flown: 70,000. Total days: 48. Total takeoffs and landings: 111. Average hours flown per day: 4.1. Total hours flown: 195.9.

Dispatch reliability: 100%. Special maintenance and support provisions: none.

Which is still not to say that the Challenger then flew home for a respite.

At this writing, it is uninterruptedly flying its missions, receiving only routine maintenance and parts support and giving no one even the slightest degree of grief.

For a detailed explanation of how a corporate jet so new can possibly be so reliable, we suggest you ask the man in the best position to know. His name is James B. Taylor and he's the President of Canadair Inc. His address is 274 Riverside Avenue, Westport, CT 06880 and his telephone number is (203) 226-1581.

There's a great deal he can tell you himself. And, if you like, he can even have you meet with the maintenance people responsible for that Challenger.

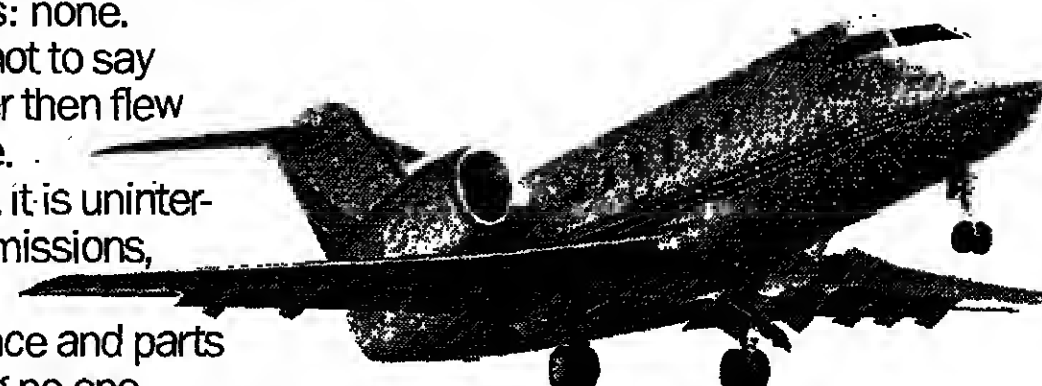
They have lots of free time on their hands.

In the Mideast business world, TAG Aeronautics Ltd. is the exclusive distributor and representative for Challenger sales and support. For further information, contact Adel A. Oubari, Vice President, TAG Aeronautics Ltd., 14 Rue Charles Bonnet, 1211 Geneva 12, Switzerland. Phone: (022) 46 17 17. Telex: 289 084.

	PASSENGERS	TOTAL TIME EN ROUTE	TOTAL DISTANCE	TOTAL FUEL CONSUMPTION	TOTAL FUEL COST*
CHALLENGER (OCTOBER 4)	8 + 2 CREW	8HR. + 51 MIN.	3,760NM	2,782 GAL.	\$4,673.76
ANOTHER CORPORATE JET (OCTOBER 5)	8 + 2 CREW	8HR. + 48 MIN.	3,760NM	4,191 GAL.	\$7,040.88

Flight summary: New York-Shannon-Vienna-October 4 and 5, 1981.

*Based on an average cost for jet fuel of \$1.68 per gallon. From a national survey of U.S. fixed base operators as reported in the November 1981 issue of Business and Commercial Aviation.



canadair challenger

The Goad of El Salvador

One measure of the painful U.S. predicament in El Salvador is the cynical humbug it inspires. With a straight face, the Reagan administration now certifies that El Salvador's record on human rights justifies more United States aid. Congress is assured that the junta is making good-faith efforts to negotiate with its insurgent opposition and promoting free elections and genuine land reform.

Why this straining? Because without certification that conditions in El Salvador are much better than they are, U.S. aid would be automatically terminated. And without more aid, Marxist guerrillas might rout the junta's repressive armies and install a regime that Washington would deem unacceptable.

To find a way out, the administration has put all its chips on a right-center coalition nominally headed by an honorable Christian Democrat, President José Napoleón Duarte. But the armed forces, long a source of El Salvador's agony, are a state within a state. The generals have repeatedly and contemptuously ignored elected civilian governments; on one occasion they robbed even Mr. Duarte of the presidency.

It is therefore naive to expect a bloody conflict to be ended by the series of elections beginning in March. The country has seen plenty of votes, most of them crooked. It could even happen that the armed forces would rig the outcome to rid themselves of Mr. Duarte and put the extreme right firmly in control — the pattern now visible in Guatemala, where a similarly dubious election is also to be held in March.

Truly free elections and land reform are the right objectives in El Salvador. But without an end to the butchery they cannot be attained. And the Reagan administration has

clearly failed to restrain the murderous armies. Congress tried to give it new leverage by tying U.S. aid to respect for human rights. The leverage has not been well used.

Just when President Reagan was extolling the junta's record, eyewitnesses reported the massacre of about 700 peasants in a single village. According to a study for the American Civil Liberties Union, the Salvadoran military were responsible for 12,500 murders in 1981. There has, finally, been progress in pressing charges against soldiers for the murder of four American churchwomen more than a year ago. But no officers have faced courts-martial for slaughtering civilians.

The junta's defenders complain that the excesses of the right are exaggerated while those of the left are ignored. But Washington has no influence over the guerrillas, whereas the battalion accused of last month's massacre was trained by U.S. officers and armed with U.S. guns. As this involvement increases, so does U.S. responsibility.

When it comes to strategically important regimes, Mr. Reagan prefers "quiet" diplomacy to public protest. That has been his approach in Africa, where persistent pressure on South Africa has apparently opened the way for a settlement in Namibia, which could also get the Cubans out of Angola. Why is U.S. influence so meager over a totally dependent junta much closer to home?

The crisis in Poland makes the question even more urgent. Secretary of State Haig found it "mind boggling" that Europeans could condemn a U.S. double standard in reacting to martial law in Poland and in El Salvador. The approach plainly touched a nerve. Let the sting move him.

THE NEW YORK TIMES.

Still No Mideast Policy

Secretary of State Alexander Haig, returning from Israel and Egypt, says he sees no prospect of an agreement on Palestinian autonomy by April 25, when Israel is scheduled to complete its evacuation of Sinai. This is a portentous report. It evidently means the secretary has abandoned any thought of putting the American diplomatic foot to the floor in the foreseeable future.

It means that while the Egyptian-Israeli part of Camp David remains live and valid, the signers' mutual commitment to address the Palestinian part is declining. For if Mr. Haig can see no prospect for agreement before April 26, no one else can see any prospect for agreement after that date.

Just why Secretary Haig is easing away from the Palestinian question is not hard to surmise. The Begin government is pulling back from full delivery on its Camp David pledges. The new Mubarak administration, eager to get back in with its fellow Arabs, seems to be hardening its autonomy terms. King Hussein is caught up in intra-Arab intrigues; the Saudis have spurned their own peace initiative; the PLO is in a "defiant" phase. Nor is it simply that foreign parties and partners are out of sorts; in Washington there is neither a bureaucratic consensus nor a presidential focus on Middle East policy.

In those circumstances, a case can be made that the United States should avoid the large risks of pushing a Middle East initiative. Better to wait until things look a bit more promising. Why fall on your face now? There is, after all, an alternative: limping along, muddling through. The Israelis would be pleased by that, since it leaves them relatively free to go ahead with their plans for the West Bank.

The Arabs would stew, but such are their divisions, distractions, vulnerabilities and other anxieties that the United States could reasonably expect to play them along.

We think, nonetheless, that it would be shortsighted and dangerous for the United States to follow this line. It leaves America at the whim of a client, an indignity which no great power can afford or should allow itself to suffer. It exposes the United States to considerable unnecessary costs in dealing with a range of states in normal times, and to immense unnecessary costs in emergency times. To let the Palestinian question go unresolved undercuts American ideals of fairness and justice. To let Israel go on undercutting its own long-term interests is to evade the first, if most difficult, duty of a true friend.

We are not saying that the administration should throw itself into a hastily contrived, half-baked diplomatic campaign tomorrow morning. It would be unforgivable, however, to let the Palestinian part of the Camp David process atrophy or lapse. From any point of view, that process has its shortcomings, but it provides the only available vehicle to accommodate Israeli, Palestinian and American interests, all of which must be accommodated if there is to be peace.

The Reagan administration has been lazy-minded and less than lionhearted in its approach to Camp David. It has evaded the difficult labor of fitting together a policy, and it has shrunk from the difficult contests with Israel — and not only with Israel — that further application of Camp David will inevitably bring. Mr. Reagan should evade this challenge no longer.

THE WASHINGTON POST.

Other Opinion

Seeing or Not in El Salvador

The American ambassador in San Salvador, Mr. Dean Hinton, was reported [Friday] as saying that "he has no reason to believe the reports" that a massacre of major proportions had been committed last month by Salvadoran troops. His doubts have been echoed by State Department spokesmen, and President Reagan announced on Thursday new military and economic aid to El Salvador as the government there was making efforts to deal with human rights problems — "and progress is being made." Such almost willful blindness by the American administration to what is actually happening on the ground in El Salvador is enough to make anyone despair of any rational end to the killing, torture, assassination and massacre to which the country has been subjected.

— From The Guardian (London).

On Recent Word From the Koreans

Remembering the intensity with which the two halves of Korea have conducted their mutual propaganda war for the last 30 years, not to mention the extent to which the two states have grown away from one another, it

is difficult to believe seriously that the recently announced grandiose plans for reunification — whether emanating from North or South Korea — are intended as genuine steps toward overcoming the national schism. It was no mere chance that the only practical attempt at dialogue — during the early 1970s — was arranged via secret contacts and was not preceded by any public announcements at all. Any serious moves toward reunification would need to consist of tiny improvements aimed at overcoming the existing barrier of hate.

— From the Neue Zürcher Zeitung (Zurich).

Reagan and Draft Registration

President Reagan's announcement of his decision to continue draft registration has given the needed direction to make registration an effective government policy. While the large majority of 18-year-olds had registered, an estimated 800,000 had not; draft resisters contended that few of these young men would register. But Mr. Reagan's amnesty, granted until Feb. 28, has produced "a deluge" of late registrants, according to the Connecticut Selective Service office.

— From The New Haven (Conn.) Register.

The Cliché Has Gone Kaput

By John Dornberg

MUNICH — Where does legitimate democratic protest and revolutionary anarchy begin? The question has stymied many a philosopher and political scientist in the past. It is likely to preoccupy the West German body politic in the weeks ahead thanks to the supreme court of the state of Hesse, which recently ruled unconstitutional a planned plebiscite to halt the building of a runway at Frankfurt's international airport.

The conflict over the runway — between environmental protesters, many of them good burghers from surrounding villages, and city and state officials, who regard expansion of Europe's second-largest airport as economically vital — has been buying the judiciary and politicians for a dozen years. Last fall it erupted in violence between demonstrators and police when the authorities began cutting down a forest near the airport. The plebiscite action, backed by petitions with more than 200,000 signatures, was last legal attempt by opponents to halt the project. The court ruled it unconstitutional because masters pertaining to air traffic are the exclusive jurisdictional preserve of the federal government in Bonn.

Their judicial resources seemingly exhausted, one might have expected the opponents to accept the inevitable. Instead they declared that they would appeal to the federal supreme court in Karlsruhe, and if rejected there, would continue their protest to the point where construction will become politically impossible.

Hessian and Frankfurt officials promptly girded for the worst entailed in that threat: more violence, plus civil disobedience in the form of sit-ins and live-ins on the site, which is now walled in and barbed wire like a prison. The violence duly came Saturday and Sunday in explosive clashes between 10,000 demonstrators and 5,000 police. Several thousand persons were injured.

"The Condition of Servitude" The confrontation is certain to continue in the months ahead. It could have far-reaching political ramifications not merely for the liberal coalition of Social and Free Democrats governing in Hesse but also for Helmut Schmidt's and Hans-Dietrich Genscher's partnership in Bonn.

Beyond that, the airport dispute throws some interesting light on the West Germans today, especially their alleged proclivity to subordinate themselves to authority, to place discipline, order and obedience above other virtues.

"The German," Heinrich Heine said of his own people in the 19th century, "is like the slave who, without chains, without whip, obeys his master's merest word, his every glance. The condition of servitude is inherent in his very soul, and worse than the physical is the spiritual slavery."

Other 19th- and early 20th-century observers have spoken of a German longing to escape from the complexity and loneliness of freedom.

As recently as the mid-1960s, a West German

sociopsychologist said with provocative candor: "The difference between us and the Anglo-Saxons, for example, is that we are disciplined while they are self-disciplined. We Germans do not understand the difference between *Unterordnung* and *Einordnung*, that is, between subordinating ourselves to authority and fitting into society."

He attributed the condition in part to history, suggesting that, as a result of their revolutions, the British, French and Americans accept governmental authority only as an agent acting upon their behalf. "But we Germans," he added, "view government and the state as authorities above and apart from us. It is our feudal legacy."

Such supposed German character traits — so historians, political scientists, philosophers and social critics have argued — paved the way for the totalitarian Nazi state and enabled the Germans to be capable of committing the most horrendous crimes, only to claim afterward that they were merely obeying orders. They are said to be at the root of that "most German" of all attitudes: "Ruhe in des Bürgers erste Pflicht" (Quiet obedience is a citizen's first duty).

Social Protest and Rebellion But are these the German traits and attitudes of the late 1970s and early 1980s?

Hardly, given the youth rebellion of 1968 and the "new youth movement" of the present; the hundreds of thousands of all ages who belong to "citizens' action groups" lobbying for and militating against so many causes; the upstart "greening parties" or the periodic miniature civil wars waged between police and environmentalists over nuclear power plants, autobahns or airport construction projects, among which Frankfurt just happens to be currently in focus.

Nothing is more convenient than a well-worn cliché, but it seems that in West Germany today obedience and quiescence no longer rate so high as attributes of good citizenship.

To be sure, not all social protest and rebellion in West Germany these days takes the form of headline-making civil disobedience or violent demonstration. Take the case of the village of Moorburg, south of Hamburg, which, if officials get their way, will simply disappear to make room for expansion of Hamburg harbor.

Some 650 villagers are buying individual shares of 500 Deutsche marks each in a single apartment house in the path of the construction crews, with the aim of forcing the city-state's port authority to file 650 separate depositions and eviction suits. The play is intended to keep the expansion project bottled up in the courts for decades.

Moorburgers have a reputation for obstinacy; in 1813, it is said, they almost single-handedly resisted Napoleon's army. Be that as it may, the new battle of Moorburg, like that of Frankfurt airport, is a sign of changing times — of Germans and West Germany in flux.

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The Pros and Cons of Sanctions

By Jonathan Power

LONDON — Africans look at the Western effort to impose economic sanctions on the Soviet Union with more than a dose of cynicism. They have been lectured for years about the inappropriateness of sanctions against South Africa, yet over the last 20 years there have been far more political prisoners in South Africa than in Poland, and the black population of South Africa probably has fewer rights and opportunities than the Polish population even after the imposition of martial law.

These frustrations bubbled over at a recent meeting at London's African Center to mark the beginning of the United Nations' international year of mobilization for sanctions against South Africa.

The speakers were representatives in Britain of the African National Congress of South Africa and SWAPO of Namibia. "It is a matter of criminal record that every time the UN moves to introduce sanctions, the countries that talk about 'constructive change' veto the sanctions resolutions," said Aziz Pahad of the ANC.

Are sanctions effective? President Reagan says his Soviet sanctions are, but he produces no real evidence. The more severe sanctions introduced after the Soviet intervention in Afghanistan brought no improvement there. Sanctions did not work with Italy after its invasion of Abyssinia, nor in more recent times with Cuba or Rhodesia.

South Africa

In all these cases one could make the point that sanctions were of limited scope or were not watertight. If they had been tougher, then perhaps they would have been more successful.

This may be true with Italy, Cuba and Rhodesia, but surely not in the Soviet case. Full-scale sanctions would push the Soviets into autarky, which they could survive, although superpower tension would escalate to perhaps uncontrollable proportions.

South Africa is an in-between case. Fully effective economic sanctions would hurt the country immeasurably, but it could hold out for a long time. The loss of its scarce raw materials would inflict some pain on Western economies in the short run.

On the other hand, it is clear that South Africa does respond to the threat of limited sanctions, if only to avoid at all costs the West starting down the slippery slope

that might lead to full-scale sanctions. The most recent illustration was South Africa's change of policy over the treatment of the 45 mercenaries who seized an Indian airline after their attack on the Seychelles in November. After being allowed to go free, they were rearrested when Western nations implied that they might sever air links with South Africa, as laid down by the 1978 Bonn declaration on hijacking.

But sanctions cannot be measured solely in terms of the effectiveness of the arm-twisting. They are an important indication of identity and solidarity. This presumably is why Pope John Paul II welcomes President Reagan's move. And in the South African case it can be plausibly argued that although race war may be inevitable, sanctions are the only way to acknowledge the legitimate aspirations of the Africans.

Uganda

If the West takes a firm position now, it can translate this later into influence to minimize the carnage and destruction that would result from a military showdown.

All these arguments bypass the big question. Is it right to use economic pressure to alter the internal practices of a sovereign nation, or, in the Soviet case, its practices in a part of the world regarded as its sphere of influence? Denying military supplies or foreign aid is one thing; interfering with essential mechanisms of day-to-day economic life is another.

The last time this question was seriously debated was in late 1978, regarding whether or not to boycott Ugandan coffee in an attempt to bring down Idi Amin. The Carter administration was against it, arguing that boycott actions are not consistent with the principles of GATT. The exception it allowed was an embargo imposed by the UN Security Council, as in the case of Rhodesia. In the end, Congress mandated sanctions, but the Europeans refused to join in.

The coffee sanctions were a major factor in unsettling Amin. Does that justify their use? Uninvited intervention, whether economic or military, is something that the world could do with less of, not more. On balance, perhaps, the sins of omission are outweighed by the Pandora's box that is opened when one concedes the right to foreign intervention.

Sanctions are a delicate tool, to be used with great care and disci-

pline. The Africans who push for them against South Africa may be right when they focus the discussion on Namibia, for Namibia legally belongs to the United Nations. But to extend their case to ameliorate South Africa's internal regime is another matter.

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The Camp David Elan Seems All but Spent

By Philip Geyelin

WASHINGTON — For us longtime true believers, the admission does not come easily, but it must after an on-the-spot inspection trip to the Middle East: Only the unfinished business of the Israeli-Egyptian peace treaty, scheduled for completion by April 25, is keeping the Camp David "peace process" alive.

Its spirit may linger on after the final withdrawal of Israeli forces from the last piece of occupied Egyptian territory in the Sinai. But the rest of the process — having to do with self-rule for the Palestinians on the West Bank and in Gaza — is going to become harder and harder to hold within the relatively manageable confines of the Camp David framework for peace.

As a consequence, the situation is likely to become a lot less susceptible to U.S. influence. As long as there is no solid alternative at hand, the temptation will be strong for just about anybody and everybody — the so-called moderate and the so-called radical Arabs, the Europeans, the Soviets — to work their way into the act.

The upshot could be chaotic, ending in a dangerous polarization: Arabs plus Europeans plus Soviets loosely lined up against an isolated Israel in support of some variation on the Saudi plan.

Or it could, conceivably, be constructive — which brings us to this week's White House visitor, Egyptian President Hosni Mubarak, the cautious, workmanlike, distinctly uncharismatic and strikingly dissimilar successor to Anwar Sadat.

Privately

The dissimilarities pretty much ensure that what we hear from him publicly will be reassurances of continuity: a perfunctory re-pledging of Egypt's troth to Camp David. Good form demands no less, and from Mubarak's standpoint, so does good sense. The urgent personal involvement of Secretary of State Haig in a search for life signs in the Camp David "autonomy" talks is an insurance policy of sorts against anything the Israelis might do that could threaten orderly completion of the peace treaty's implementation and the recovery of Egypt's territory.

But what Ronald Reagan will hear from him privately may be something else again, depending on how much of what Mubarak's advisers are saying in private will be conveyed explicitly at this first meeting of the two presidents.

Paraphrased, what Mubarak's men say is that prospects for anything more than a vague Egyptian-Israeli re-dedication to the "autonomy" principles before April 25 are next to nil. They see the Israelis as adamant on the one autonomy issue on which Egypt cannot afford, for the sake of its rela-

tions with the Arab world, to yield: the right to vote in any West Bank self-rule arrangement for the approximately 100,000 Palestinians in East Jerusalem. Israel has formally annexed East Jerusalem as part of its capital city.

Only U.S. "leverage," they insist, can force Israel to reverse its efforts to consolidate its presence on the West Bank in ways that effectively foreclose "full autonomy" for its Arab inhabitants.

A "disaster" is the way one official describes Israel's occupation policy. What is more, officials in Cairo assert that they see "no evidence" that Reagan understands. "It is going to be up to us and the Europeans," says one, "to convince the United States to use its influence on Israel."

As an inducement, Mubarak's men offer the prospect of Egyptian honest brokerage, in pursuit of Arab "moderation." Egypt would present itself to the Arabs as the only Arab nation in a position, by virtue of the peace treaty, to deal with Israel. To the Israelis, Egypt would present itself as Israel's only friend in the Arab camp.

Reorienting

"If Israel would only give us concessions, we could help lead the Saudis and others into a more moderate stance," says one Egyptian policy-maker. "Why wouldn't Israel want to help its new Arab partner do things that in the end would help Israel?"

It is a nice idea, but flawed by the demands it would put not only on Israel but also on the United States. If the Camp David formula is already unacceptable to Prime Minister Menachem Begin's government, how could a compromise between it and the much more extreme and, for Israel, unpalatable "Fahd plan" be made more acceptable? At this point the conversation returns to the need for American "leverage."

The new Egyptian leadership, then, is characterized by a striving for the best of many worlds, including, a small, slow opening to the Soviets which will probably lead to resumption of full diplomatic relations; continued heavy reliance on U.S. economic and military aid, but not total dependence (note the recent purchase of French jet fighters); a return to prominence in the leadership of the Arab world; a re-knitting of links with the "marginalized" countries; a diminished enthusiasm for "strategic consensus" or the sort of U.S. military presence in Egypt that Sadat was encouraging.

It adds up to a slow but sure change in Egyptian orientation, with profound, if not clearly predictable, implications for the old order of the Camp David accords.

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Views Westward From the Alps

By James Reston

DAVOS, Switzerland — President Reagan sent a cheerful message to world political and business leaders meeting in Davos last week at the European Management Forum. It arrived during the worst snowstorm of the year and got a rather chilly response.

Together, we face new forms of repression in the East, and problems of weak growth in our own countries," Reagan said in a color movie presentation. "Our values and principles have never failed us when we have lived up to them. Think back over the past 35 years. They have been remarkable years of peace, prosperity and progress."

Former Prime Minister Edward Heath of Britain responded by asking why, if pasty policies had produced such "remarkable" progress, Reagan now seemed so determined to change them.

Heath agreed with Reagan's call for individual freedom and his insistence that governments live within their means, but he observed that in Franklin Roosevelt's day, this meant freedom to work and not freedom to be unemployed. And he asked how a nation could "live within its means" with a \$100-billion budget deficit.

West German Foreign Minister Hans-Dietrich Genscher took a more moderate view, recognizing the problems of the alliance but insisting that the United States and the governments of Europe and the European nationalists have been demonstrating against NATO's military plans. America is

not a "guard service" that enables Europe to do as little as it pleases, Genscher observed. And, "It is not the United States which is denying Europe equal weight in the alliance, but the Europeans themselves: by a lack of capacity for unification, by national egotisms, by incomplete contributions to collective security."

Europeans who want to see the democratization of Europe and North America "decoupled" should consider the fate of Europe if this should happen, he said. "It would become a pawn in international developments. It would therefore be dangerous megalomania from the point of view of security to believe that the United States could be replaced wholly or partly as a security factor in Europe."

A Prediction

Genscher condemned the Soviet invasion of Afghanistan and pressure on Poland and the excessive arms buildup beyond the needs of Soviet security. He warned that West Germany would oppose any suggestion for a "nuclear-free Europe," since this "is insisting would leave Western Europe vulnerable to Soviet missiles in Asia and to superior Soviet conventional forces in Eastern Europe and the Soviet Union.

Still, while many participants may have welcomed Reagan's optimism and Genscher's moderation, few were willing to contest Heath's analysis of the world situation. "We are assembled here at Da-

vos," Heath said, "at a time when the edifice of international cooperation, built up by the West for over 30 years, is disintegrating. In the Atlantic alliance, we have become disunited as rarely before in our response to crises, particularly those arising in the Middle East, Poland, Afghanistan and other regions of the Third World."

The allied reaction to Moscow's military intervention in Afghanistan might be understood, he said, for it came as a surprise. But the allies consulted on Poland for more than a year and a half before the imposition of martial law, "yet failed dismally to provide any unified response to this action."

Heath called the monetarist policies of Britain and the United States a "disaster." He said we live in an "interest rate society" where excess funds seek out high interest rates, not investment outlets.

He concluded with a prediction: "Unless Europe takes speedy action to insulate itself effectively from the American policy of large budget deficits and high interest rates, it will be condemned indefinitely slavishly to follow U.S. monetary policy. This will leave most European governments with no option but to tighten fiscal policy sharply. Yet the most inevitable result of such fiscal cutbacks is to endanger expenditure on defense and security — ironically the foremost priorities of the very governments which have helped to bring about this situation."

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Feb. 1: From Our Pages of 75 and 50 Years Ago

1907: Before Russia's Elections

ST. PETERSBURG — Mr. Stolypin, Prime Minister, has issued a circular letter addressed to the governors of the various provinces. In this document, which sets forth the steps taken by the government in connection with the elections for the Duma, the premier instructs the governors to guarantee complete electoral liberty, recommends officials to refrain from taking an active part in the elections and orders severe measures to be taken against revolutionary propaganda. These instructions are approved by all sincere patriots, but are received with suspicion by the Opposition, which persists in refusing to recognize the correct attitude of the government.

1932: Voluntary Pay Reductions

CHICAGO — Nearly 2 million rail workers in the United States will accept a 10-percent reduction in wages, as the result of a 17-day conference between rail leaders and union leaders, who have reached an agreement for the cut for a period of one year. The agreement is expected to effect a \$250 million yearly savings for the carriers, and as a result, a favorable reaction of rail stocks is expected. The wage reduction movement began in the East some time ago, when the New York Central Lines asked its employees to accept voluntarily a 10-percent cut for one year. Three other Eastern lines followed suit, after which every road in the country took up the movement.

Letters

Youth of Europe

As a student, I would like to congratulate W.W. Rostow (JHT, Jan. 26) for his acknowledgment that young people in Western Europe ask "fair and understandable questions." But we have so little influence. Is Mr. Rostow taking our concerns into account in Geneva?

In Eastern Europe as well, every crisis since the end of the war has proved the total commitment of young people to democracy. Things have to change.

PATRICK MARTIN, Confians-St-Honore, France.

A Sportswriter

Like many other sportswriters, Red Smith had versatility, as for example when he covered the 1956 Democratic National Convention in Chicago. "My approach to it was as a sportswriter viewing a

very popular spectator sport," he wrote. He was right, he had fun with it and he put it all down, depicting Happy Chandler, a remote candidate, as a 20-year minor league. Ernest Hemingway, searching for the ultimate sports-writer, settled on Red Smith — who was, most likely, the best sports columnist-reporter in the history of American journalism.

HERB JOHNSON, Paris.

Gently Put

The "People" column informs us (JHT, Jan. 19) that Mrs. Reagan peels bananas silently in bed in order not to wake her sleeping husband. Doubtless she puts the skins gently on the floor, but I don't know of any way to peel bananas noisily.

DENIS JOHNSON, Châtillon-sur-Chalaronne, France.

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After Rumsfeld's Pruning, Searle Blossoms

By Thomas M. Chesser

SKOKIE, Ill. — Skepticism and trepidation abounded at G.D. Searle & Co. when Donald H. Rumsfeld took charge in 1977 as president and chief executive officer.

There was trepidation because he was known as an axman. There was skepticism because Mr. Rumsfeld had no corporate business experience, whatever the number of top government posts he had held, and he was also an outsider — the first non-Searle to head the company in its 90-year history.

"He's tough-minded," said Arthur M. Wood, a Searle director and former chairman of Searle, Roebuck & Co. "Searle knew that it would be taking some risks in bringing him on."

The doubts about Mr. Rumsfeld have long since dissipated and employees have little to fear for now. In the third quarter of 1981, the latest period for which comparable data is available, the company posted the second highest profit margin among the 30 largest

U.S. drug manufacturers. Meanwhile, the company's stock, which was selling for less than \$12 when Mr. Rumsfeld took over, is now in the \$30 range.

Mr. Rumsfeld took over a pharmaceutical company floundering from unprofitable acquisitions, sloppy research and runs with the Food and Drug Administration. His first move was to set up panels of directors, employees and outside specialists to evaluate company finances, research, government compliance and other operations.

When the results came in, the ax came out. "You could almost hear people's knees knocking when he walked down the hall," said a former Searle manager. In the initial purge of the company, Searle executives were paged at airports and called at home to be told they were dismissed. Mr. Rumsfeld dismissed the company of 30 businesses worth \$400 million and cut its corporate staff from 800 to 350.

He did some building, too, however. He brought in more outside directors, increased the research and development budget at a 16-

percent-a-year clip and expanded the more profitable businesses within the company's major segments: pharmaceuticals and consumer products, medical products and a chain of eyeglass stores.

"He has proven himself an exceptional executive," said Lawrence Smith, who watches the company for Smith Barney, Harris Upham & Co. "He forced each division to adhere to rigorous control mechanisms to meet growth goals. He is decisive, a good motivator, good at hiring and strong at firing."

Mr. Rumsfeld now readily acknowledges he lacked business experience when he took over but adds that the felt his government training had prepared him for almost anything. "What I learned about crisis management and trouble shooting in the Nixon and Ford administrations helped make the government-to-industry transition easier," he said. "I found the change from Congress to the executive branch harder to make than from the executive branch to business."

He spent 15 years in government, most notably (Continued on Page 9, Col. 3)

G.D. Searle's Leaner Look

All amounts in millions except per share net

	1981	1980
Revenue	\$942	\$1,082
Profit	\$130.9(a)	\$94.3
Per Share	\$1.90	\$1.85
Total Assets (of Dec. 31)	\$578	\$456

Divisions contributing to 1980 revenue	Percent
Pharmaceuticals	58%
Medical products	27%
Optical group	15%

a-Earnings on continuing operations. Final net was \$96.7 million after losses from discontinued operation and an accounting adjustment.



Donald H. Rumsfeld

Japan Trade Move Could Favor U.S.

By Steve Lohr

TOKYO — The significance of Japan's measures to open its market more to imports, approved by the Japanese Cabinet Saturday, will not be clear until foreign companies test the new procedures, to learn whether the government actions do in fact allow easier access to the Japanese market.

But even before that, two things about the market-opening program are evident. First, the lifting of 67 nontariff barriers will have little near-term effect on the huge trade surplus that Japan is running with the United States and the European Economic Community.

Second, if the package is none-

theless judged to be a meaningful step in opening up Japan's clamorous economy, the payoff for Japan — in terms of easing trade tensions — is likely to be greater in the United States than in Western Europe.

Throughout the current round of trade frictions, American officials have maintained that the United States is simply asking for fair treatment in Japan. If the Japanese market becomes as open to American goods as the U.S. market is to Japanese goods, then trade relations between the two countries will smooth out considerably, Reagan administration officials have said.

Equal Competition

Once the two nations are competing on an equal basis, they add, the huge U.S. trade deficit with Japan — a record \$18 billion last year — will eventually take care of itself. The free play of the market place will lower the deficit, the Reagan administration says, because such American-made goods as pharmaceuticals, cosmetics, food products, cigarettes, medical equipment and others are better or cheaper than their Japanese counterparts.

Western European nations have requested that Japan slow the flow of a broad range of goods into their markets, while the United States has not.

In trade discussions with Japan, European business and government officials have generally been more adamant in their demands and have talked less about economic competitiveness than about bringing down the deficit with Japan, by whatever means.

Hironaka Fukuda, director general of the Ministry of Foreign Affairs' economic affairs bureau, said he did not expect that Japan's "tense relations with the EEC will be resolved because of these measures."

The Japanese and trade experts view the different negotiating tactics of the United States and Western Europe as a reflection of the comparative position of the American economy versus the European economies.

Though experiencing severe problems in some industries, the U.S. economy is viewed as fundamentally sound, still leading the world in many high-technology

Political Pressure on Fed Builds

By Jonathan Fuchringer

WASHINGTON — The Reagan administration and the Federal Reserve Board are drifting into an election-year feud that, some analysts contend, could make it more difficult for the Fed to do its job. The consequences, in turn, could make it more difficult for the administration to get what it wants — lower interest rates.

The dispute might be intensified by the personalities involved: a strong-willed Treasury secretary, Donald T. Regan, and a "hang tough" Fed chairman, Paul A. Volcker. Neither seems likely to back down. Already the Fed, according to top officials, believes it is being needed on a complex issue — monetary policy — that the Treasury secretary does not understand very well.

Top officials at the Fed are used to criticism. In fact, they always expect a certain amount of blame for economic conditions. The Fed's vice chairman, Frederic H. Schultz, often refers to the Fed as a "lightning rod."

past. "But," he added, "I would tend to disagree with the administration that monetary volatility now is the primary factor in keeping the risk premium high and interest rates at an excessive level and is blocking the implementation of the administration program."

Even some academic proponents of the changes in operating procedures that the administration has mentioned — including different accounting methods for measuring bank reserves and a floating discount rate — acknowledge that the money supply would still be volatile in the short run, moving above and below the Fed's target range. The key, therefore, is whether the Fed is committed to preventing any short-run deviations from becoming a trend. Many past critics of the Fed acknowledge that the Fed has shown this commitment.

NEWS ANALYSIS

"We are not primarily concerned with random short-run fluctuations in money growth, so long as they do not become systematic," said Robert H. Rasche, an economics professor at Michigan State University in a debate about monetary policy last year.

"Indeed, we are prepared to acknowledge that nonsystematic 'noise' [volatility] in short-run money growth rates would occur under the kind of procedures we are arguing for."

Mr. Regan's top adviser on monetary policy, Bernard W. Binkley, underscored the Fed's position in an interview last week that it is the fear of high deficits in the future and money supply volatility that are to blame for the recent jump in interest rates.

And Murray L. Weidenbaum, the chairman of the Council of Economic Advisers, said last week that he could not guarantee that the suggested changes "would be a panacea."

A Gift of Cigars

Said another governor, "When things are not going well in the economy and you have a politically sensitive administration, it's probably natural to take as little blame as possible. That's what the Fed is here for."

Relations are not at the breaking point yet, but Mr. Regan obviously realizes they could be improved, as evidenced by his efforts to keep his personal contacts friendly. After cracking a joke last week about the chairman's "cheap" cigars, Mr. Regan sent Mr. Volcker a \$50 box of Partagas cigars. The cigars now sit on Mr. Volcker's cluttered desk.

The dispute, which began last summer with criticism of Fed monetary policy as too tight, is now going a lot further than the traditional use of the Fed as a whipping boy, say some Fed and administration officials.

"It's counterproductive and it's unfortunate," said Alan Greenspan, the Fed's outside economic adviser to the president. "The Fed is doing as good a job as it can do in these circumstances."

Mr. Regan and Mr. Volcker stated their positions clearly last week. The Treasury Secretary pointed his finger at the Fed's volatile money supply numbers and blamed them for the recent high level of interest rates. At the end of last year and in January, Mr. Regan argued, the Fed allowed the money supply to grow at rates far above its targets, creating uncertainty in the financial markets and pushing interest rates up again.

The Fed chairman looked to the string of unprecedented budget deficits now impeding the president's economic program, and told Congress that large deficits, because they threaten to eat up so much of the nation's available credit, are the source of high interest rates and the threat to economic recovery this year.

While some analysts outside the administration agree in part with the administration argument about the impact of money-supply volatility, it is not considered a strong argument.

"Money supply volatility should be minimized and has been a problem in the past," said H. Erich Heinemann, a vice president of Morgan Stanley & Co. and a leading critic of the Fed in the

U.S.-European Bank Group Moves To Ease Romanian Debt Problem

By Paul Lewis

PARIS — A group of major U.S. and European banks has quietly agreed in principle to ease Romania's growing economic difficulties by giving that nation more time to repay its debts.

The decision last week could prove politically controversial, because it appeared to run counter to the U.S. government's desire to put financial pressure on the Soviet Union and its East bloc allies as part of a program to have martial law lifted in Poland.

In particular, it will provide ammunition for critics who say that Western banks are reluctant to cooperate with President Reagan's sanctions policy because they do not want to put their loans to Poland, Romania and other East bloc nations at risk.

Rescheduling Plan

Romania owed Western banks about \$11.4 billion at the end of last year, according to figures submitted by the government to the International Monetary Fund. Bankers said that about a third of that sum, or nearly \$4 billion, would have to be rescheduled because it either had fallen due or would fall due in the next 18 months.

Neither bankers nor government sources have provided an estimate of the additional amount that Romania owes to Western governments.

Bankers said Friday that the banks involved in the reported rescheduling are Bank of America and Manufacturers Hanover in the United States, Barclays International in Britain, Banque Paribas in France, Deutsche Bank in West Germany, and Union des Banques Suisses in Switzerland.

Under the agreement, Bank of America and Société Générale, which have offices in Bucharest, would work with Romania to agree on exact amounts owed and maturity dates and would work out specific payment proposals, the bankers said. They refused to be quoted by name.

The IMF is also involved in the debt negotiations, according to bankers and monetary officials here. Romania is currently the only East bloc member of the fund, which Moscow portrays as a bastion of the Western capitalist system, but Poland and Hungary recently applied to join.

While the bankers were talking with Romanian officials in Bucharest last week, apparently at Romania's invitation, IMF officials were engaged in parallel discussions to restore a \$1.25-billion credit cut off last November after Romania failed to meet debt payments.

IMF officials said they hoped to force Romania to make important economic reforms in return for resuming aid. Bankers said that fresh credits from the fund would also make it easier for Romania to keep up interest payments on its private bank debt.

Last year, Romania became the second East European nation, after Poland, to get into serious difficulties with its debt repayments. Bankers said that interest and principal payments were frequently 60 to 90 days late.

DeLorean-Renault Talks Reported

From Agency Dispatches

LONDON — Renault is the leading contender to purchase the ailing Belfast sports car plant owned by DeLorean Motor, The Times of London has reported.

"General Motors and Ford have been suggested as possible buyers, but Renault, which already supplies engines for the stainless-steel, gull-winged car, is emerging as the favorite," the newspaper said Saturday.

But a spokesman for DeLorean Motor in New York said Friday that John Z. DeLorean, chairman of the company and a former GM vice president, was looking for a partner rather than discussing the sale of the Belfast plant.

The spokesman said a report in The Wall Street Journal that Mr. DeLorean was discussing the sale of the plant to a non-American firm was a misinterpretation.

A DeLorean official in Belfast announced Thursday that the plant was laying off 1,100 workers

— nearly half its work force of 2,600 — and cutting production from 200 autos a week to 140.

Sales of the auto, which is priced at \$25,000, have lagged in the recession-hit United States, the only country where the car is now sold.

According to British officials, DeLorean had made 7,681 cars by the end of last year. By Jan. 15, only 4,756 had been sold to U.S. dealers and just 3,085 retail sales reported.

The British government, anxious to boost employment in Northern Ireland, where one worker in five is without a job, has invested \$83 million in the plant since it opened three years ago.

Mr. DeLorean had been seeking another \$35 million from the government to keep the plant going. But James Prior, the Northern Ireland secretary, told him Wednesday that no more British taxpayers' money would be invested in the project — which was launched under a Labor government.

Europeans Discover Zero-Coupon's Attraction

By Carl Gewirtz

PARIS — Just as Far East demand for zero-coupon Eurobonds appeared to be flagging, new life was breathed into the market from European investors who suddenly discovered the joys of tax-free capital gains.

The Japanese are experiencing burnout, an investment banker said. This was the result, he explained, of too much paper bought in too short a time coupled with mounting fears among the Japanese that their Ministry of Finance would take steps to eliminate the tax loophole if the inflow continued unabated.

But the sudden drying up of

Japanese demand was hardly noticed as European investors stepped in to fill the void. While European bankers were nervous that their own authorities might

EUROBONDS

move to plug the loophole, bankers did not hesitate to join the syndicates underwriting these bonds.

The most telling evidence was the launching of a \$400-million issue for R.J. Reynolds Overseas Finance (guaranteed by R.J. Reynolds Industries Inc.) with no Japanese bank among the co-managers. Led by Dillon Read, the co-managers include Amsterdam's Rotterdam Bank, Banque Brux-

elles Lambert, Deutsche Bank, Manufacturers Hanover Ltd., Paribas, Union Bank of Switzerland and Westdeutsche Landesbank.

"This issue is not being sold," one of the managers commented, "it's being bought." Bankers report very substantial demand from West Germany, the Benelux countries and France. The Swiss report little demand from domestic clients but considerable interest from their overseas customers.

Bankers say that European interest in zero coupons was slow to develop, but the demand is there now and reaching retail clients who have long shunned the bond market.

The Reynolds bonds are for 10 years and are being sold at a price of \$255 for each nominally valued \$1,000 certificate. The \$1,000 payback in 10 years represents a capital gain of 292 percent. Looked at another way, that payback is equal to earning an annual interest income of 14.64 percent (on the assumption that each year's interest

income was reinvested at the same rate of return).

What is especially attractive about zero-coupon issues is how everyone appears to benefit. The lenders get their guaranteed (assuming the issuer remains in business) capital gains. The issuers get cheap money — in effect paying more than a percentage-point below what the U.S. Treasury currently has to pay to borrow money.

But the best part of the deal is reserved for the investment bankers who earn commissions on the full face amount of each issue even though their cash commitment is a quarter of that.

Elsewhere in the zero market:

- Baker International Corp. is offering \$225 million of 10-year paper to be sold at \$247 for each \$1,000 certificate. This represents a capital gain of 305 percent or an annual yield of 15 percent. As in the Reynolds issue, there is a commission of 1 percent.

(Continued on Page 9, Col. 1)

CURRENCY RATES

Interbank exchange rates for Jan. 29 1982, excluding bank service charges.

	\$	DM	FF	Y	£	S	¥	₹
Amsterdam	2.524	4.767	10.735	4.135	1.239	—	—	—
Banque Paribas	2.524	4.767	10.735	4.135	1.239	—	—	—
London 100	1.815	—	—	—	—	—	—	—
Paris	1.815	—	—	—	—	—	—	—
New York	1.815	—	—	—	—	—	—	—
Frankfurt	2.524	4.767	10.735	4.135	1.239	—	—	—
Madrid	1.815	—	—	—	—	—	—	—
Stockholm	1.815	—	—	—	—	—	—	—
Oslo	1.815	—	—	—	—	—	—	—
Copenhagen	1.815	—	—	—	—	—	—	—
Geneva	1.815	—	—	—	—	—	—	—
Basel	1.815	—	—	—	—	—	—	—
Zurich	1.815	—	—	—	—	—	—	—
Brussels	1.815	—	—	—	—	—	—	—
ECU	1.815	—	—	—	—	—	—	—

Dollar Values

	\$	DM	FF	Y	£	S	¥	₹
Amsterdam	2.524	4.767	10.735	4.135	1.239	—	—	—
Banque Paribas	2.524	4.767	10.735	4.135	1.239	—	—	—
London 100	1.815	—	—	—	—	—	—	—
Paris	1.815	—	—	—	—	—	—	—
New York	1.815	—	—	—	—	—	—	—
Frankfurt	2.524	4.767	10.735	4.135	1.239	—	—	—
Madrid	1.815	—	—	—	—	—	—	—
Stockholm	1.815	—	—	—	—	—	—	—
Oslo	1.815	—	—	—	—	—	—	—
Copenhagen	1.815	—	—	—	—	—	—	—
Geneva	1.815	—	—	—	—	—	—	—
Basel	1.815	—	—	—	—	—	—	—
Zurich	1.815	—	—	—	—	—	—	—
Brussels	1.815	—	—	—	—	—	—	—
ECU	1.815	—	—	—	—	—	—	—

Denmark, Venezuela Seek Credits of \$1 Billion Each

By Carl Gewirtz

PARIS — The syndicated loan market sprung to life late last week with a \$1-billion financing being organized for Denmark and a \$1-billion financing for Venezuela near completion.

The Danish transaction consists of four separate operations that at the outset total \$800 million, but which the Danish government hopes will finally total \$1 billion.

The largest segment, for an initial \$500 million, is a seven-year syndicated loan. Most notable is that it will be the first Danish transaction tied to the prime rate of U.S. banks. The Danes are offering to pay 0.15 percentage point over the prime rate for the first four years and 0.25 point over the prime for the final three years.

However, like Sweden last year, Denmark is putting a cap on its exposure to the prime rate. The loan is an administered rate and moves at the discretion of the banks. To protect against an artificially high prime rate, Denmark can switch the base to the 90-day certificate of deposit rate (adjusted for reserve requirements) if for three weeks the CD rate is 110 basis points (1.1 percentage points) below the prime rate. As soon as the differential narrows to less than 110 basis points, the prime rate automatically becomes the base.

The object of using the prime-CD formula is to appeal to the regional U.S. banks who do not traditionally participate in Euro-market syndicates.

At the same time, lead manager Citibank will be putting together a "club" loan of \$200 million. This eight-year transaction, which will have only limited syndication, will

(Continued on Page 9, Col. 3)

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Amt	Capacity	S.	Mid	Yield		Amt	Capacity	S.	Mid	Yield	
				Middle Bottle	Avg Lbs Crd					Middle Bottle	Avg Lbs Crd

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GM to Cut Prices of Cars, Trucks By Up to \$2,000 Over 2 Months

By John Holusha
New York Times Service

DETROIT — General Motors has announced plans to reduce the prices of some cars and trucks sold over the next two months by \$500 to \$2,000. The reductions come despite failure to win wage and benefit concessions from GM's unionized factory workers that would have been used to offset the price cuts.

The company, the only domestic automaker currently offering financial incentives to car buyers, said the price reductions would be effective for 60 days, starting Monday. They will be available for about half of GM's car and truck models, particularly the slower-selling vehicles.

Roger B. Smith, chairman of GM, said Friday that there was "a critical need in the marketplace for some kind of market stimulus." Earlier this month, GM had agreed in principle to a proposal by the United Auto Workers to pass wage and benefit concessions along to consumers in the form of lower vehicle prices. Contract negotiations broke down Thursday and a union official said no new talks would be possible until the current UAW agreement expires Sept. 14.

Mr. Smith said the price reductions would be paid for by concessions from the company's salaried employees, its suppliers and its dealers. Salaried workers will have their cost-of-living adjust-

ments frozen through the end of this year and parts and materials suppliers will be asked to accept a 3-percent reduction in the prices they charge through the end of the current model year. Dealers will be asked to contribute 25 percent to the price reduction.

Avoiding Losses

However, financial analysts cautioned that the dealer contributions might be partly illusory. In past rebate programs, many dealers have avoided any losses to themselves by reducing the discount that otherwise would be offered or by decreasing the amount allowed for a vehicle traded in.

Asked about the potential impact of the program, Harvey E. Heinbach, an auto industry analyst with Merrill Lynch, Pierce, Fenner & Smith, said, "A \$500 reduction is really \$350, because the dealer won't give up anything, and I don't think \$350 will do very much."

In only one case will the price reduction exceed \$750. A \$2,000 reduction will be made on the purchase price of a Cadillac Seville, which now has a base price of \$23,443. The average GM car now sells for more than \$10,000.

Sales Down 17.2%

During negotiations with the UAW over the past three weeks, company executives had said that price cuts of \$1,000 or \$1,200 would be needed to bring a significant increase in sales.

In the most recent 10-day selling period, GM sales were down 17.2 percent from 1981 levels. General Motors has 59.5 percent of the domestic new-car market.

"This will be like the rebate programs of last year," Mr. Heinbach of Merrill Lynch observed. "You'll bunch some sales in February and March at the expense of April and May."

GM had promised that any savings in wages and benefits would be retroactive to Jan. 13. The company's dealers said customers held back in hopes of benefiting from price reductions.



Roger Smith

After Rumfeld's Pruning, Searle Blossoms

(Continued from Page 7)

by a White House chief of staff and defense secretary in the Ford administration. In the Nixon administration, he served as U.S. representative to NATO, a post that put him far from Watergate.

Mr. Rumfeld, who is 49, will see people on a minute's notice and eat lunch in the company cafeteria in his shirt-sleeves with lab technicians and salesmen.

Perhaps the relaxed style reflects the company's stable position. It has won a seven-year battle with the government to market Aspartame, a low-calorie sweetener that has no aftertaste. With it, Searle is expected to make profitable inroads into the markets now dominated by saccharin.

Searle, which also makes Dramamine, a pill for motion sickness, and Metamucil, a leading laxative, was once a leader in industry research, turning out Enovid, the first birth control pill. But because the company failed to capitalize on the product, as it did on other new discoveries then, it lost its four-year lead among contraceptive makers.

Denmark, Venezuela Seek Credits of \$1 Billion Each

(Continued from Page 7)

be tied to the London interbank offered rate. Denmark will pay 1/2 point over Libor for the first five years and 1/2 point over thereafter — terms that are too scanty to have wide appeal.

The only portion of the transaction that has a fixed amount is the \$100 million that will be raised through the public sale of floating-rate notes. These will be for 10 years and carry a margin set at 3/16 percent over Libor.

Italy Restores Order

Meanwhile, Venezuela, which has not yet signed the \$500-million syndicated loan launched at year-end, is discussing terms and conditions on a \$1-billion operation with a syndicate of Midwest institutions. Arab bankers insist that "nothing is yet settled" but acknowledge that they are working on it.

Although Italy's efforts to organize its approach to the market by instituting a queue system are the object of much decision by bankers (loans of under \$100 million are exempt, as are "club" deals and "regional" loans), the flow of Italian deals has undeniably become more orderly.

IMI is currently raising \$168.5 million, offering a low 1/2 point over Libor for the first three years and 1/2 point over Libor for the final two years due to the fact that the loan is tied to a specific export contract.

Banco, Mexico's National Agriculture is raising \$25 million for five years, offering 1/2 point over Libor for the first two years and 1/2 point thereafter.

IRI, which has rarely tapped the market in its own name although it has offered its guarantee for a volume of business by its subsidiaries, is expected to be the next to tap the market for \$250 million. It is expected to pay 1/2 point over Libor for the first four years and 1/2 point for the final four years.

The terms reflect the fact that the amount is large. In addition, by not offering alternate pricing over the prime rate (which is very profitable for lenders), IRI is obliged to set the margins at a level designed to appeal to the general

And past laxness in research has come back to haunt Searle. The company has lost almost all of its drug patents. A new discovery, even with the new influx of talent and money is not expected until 1984.

To compensate, Searle is trying to buy licenses from companies that have recently launched promising new products. It will market Verapamil, a calcium channel blocker to relieve chest pain that it licensed from Knoll, a subsidiary of BASF.

While there are few that find fault with Mr. Rumfeld's record at Searle, the president of a competing drug company, who did not wish to be identified, questioned the company's decision to enter the retail end of the prescription eye-care business through its 989 franchisee and company-owned Pearl Vision Centers.

"In the near term it should contribute earnings and generate a lot of cash," he said. "But since retailing is not a mainstream health-care company concern, it may cause problems as a long-term fit."

Joe Riccio, an analyst with

GATT Officials Warn of Trade Confrontations

By Axel Krause
International Herald Tribune

DAVOS, Switzerland — Trade and investment relations between the United States, the European Economic Community and Japan are evolving in "an unhealthy and dangerous fashion" that could escalate into "serious confrontations," Arthur Dunkel, director general of the General Agreement on Tariffs and Trade, said here Sunday.

But he said he thought GATT member-nations could effectively address that problem.

Speaking to about 500 businessmen, bankers and government officials in a panel session Saturday, Mr. Dunkel warned that the proliferation of trade conflicts triggered

by growing protectionism also involved newly industrializing countries in Asia and Latin America.

He suggested that the solution is for GATT — assuming its 87 member-governments are willing — to strengthen its rules and guidelines. The Geneva-based agency monitors and enforces trade relationships among its members.

A move to expand GATT rules could emerge during a ministerial-level meeting of the agency scheduled for November, the Swiss official added.

"I see nothing much in the disputes between the regions which suggest that they cannot be handled within the framework of the broad rules and disciplines al-

ready embodied in GATT," Mr. Dunkel said.

Several other panel members suggested their international agencies may also play a greater role in combating protectionism and in helping expand trade relations between industrialized and developing nations.

Emile van Lennep, secretary general of the Organization for Economic Cooperation and Development said that OECD has been building "considerable expertise" in identifying protectionist tendencies stemming from domestic policies, such as subsidies and government procurement programs. "I would hope that our work might be of some use to the GATT in its difficult task," Mr. van Lennep said.

Both Mr. van Lennep and panelist Jacques de Larosiere, chairman of the International Monetary Fund, vigorously defended their agencies in response to questioners from Turkey and India who charged that both the OECD and the IMF were part of the "rich man's club" that was ignoring the problems of developing countries. The panel discussion was part of a symposium sponsored by the European Management Forum, a Geneva-based, nonprofit foundation. The symposium ends Thursday.

Strains in the Atlantic alliance over economic, trade and security issues remained a subject of discussion here during the weekend, amid expectations that William E. Brock, the U.S. trade representative, would make a major policy statement Monday.

Mr. Brock is to appear on a panel dealing with long-term industrial and trade strategy. The panel will include J.C. Tienow, vice premier and minister for economic affairs of the Netherlands, and Norman Tebbit, Britain's secretary of state for employment.

Mr. Brock is expected to outline U.S. goals for trade liberalization and to announce Washington's support for the GATT ministerial meeting in November.

High-level government delegations from Brazil, India, Indonesia and Turkey addressed weekend meetings here attempting to attract new Western investments.

Widjojo Nitisastro, Indonesia's minister-coordinator for economy, finance and industry, told a news conference Saturday that several major joint venture agreements will be signed in coming weeks, including a pact with Union Oil for building a geothermal plant in Indonesia, and with four other U.S. companies for development of Indonesian coal resources.

Europeans Are Discovering Advantages of Zero Coupons

(Continued from Page 7)

spacious absence of any Japanese bank among the co-lead managers.

Gaz de France, the second non-U.S. entry to issue zeros (Nordic Investment Bank last year sold such paper), is offering \$150 million of 10-year paper at a price of \$258.20, representing a capital gain of 287 percent or an annual yield of 14 1/2 percent.

Caterpillar Tractor, which two weeks ago sold \$300 million of 10-year paper at \$240 per \$1,000 for a yield of 14.56 percent, is back in the market offering \$140 million of 12-year bonds priced at \$199.40. This is equal, at final maturity, to a capital gain of 401 percent or an annual yield of 14.38 percent. Worthy of note is the price of the "old" Caterpillar paper is quoted at — \$252.50, a gain of 5.2 percent.

General Electric Credit International, guaranteed by GE Credit Corp., doubled to \$400 million the nominal amount of 11-year bonds it is offering at \$228 for every \$1,000 (a capital gain of 339 percent). The comparison 10-year paper was unchanged at a nominal \$400 million for 10 years, offered at \$260.80 for a capital gain of 283 percent or an identical annual yield of 14.39 percent.

Sears Roebuck increased the size of its issue to a nominal \$400 million from the \$300 million initially indicated. The other terms are unchanged: \$247.20 for each \$1,000, a yield of 15 percent over the 10-year life or a capital gain of 305 percent.

Only one fixed-coupon issue was launched in the dollar sector last week — \$50 million of seven-year notes for McDonald's Douglas Financing Corp. bearing a coupon of 16 1/2 percent. Pricing is open and will be set Feb. 10.

Prices of fixed-rate issues improved markedly late last week with short-term rates easing in the wake of Paul Volcker's comments that the sharp growth in the money supply was due to temporary factors and that he did not anticipate an increase in the Federal Reserve's discount rate.

Dollar Strengthens

The euphoria, however, may be short-lived. Late Friday, the Fed reported that the money supply declined a modest \$600 million in the latest week — a far cry from what the market had expected. Most projections put the week's decline at from \$1 billion to \$3 billion, but some forecasts ran as high as a \$7-billion drop.

Indicative of the disappointment in the money-supply data and the fear that interest rates may not drop as fast as had been expected, the dollar jumped to 2.3440 Deutsche marks in thin trading on the West Coast after closing at 2.3360 DM in late New York trading. Before the money-supply figures were reported, the dollar was quoted at 2.33 DM.

In the equity-linked sector, Toray Industries is offering \$50 million of five-year paper bearing a coupon of 10 1/2 percent. Each note bears one warrant to buy about \$1,000 worth of Toray stock at a price to be set at about 2 1/2 percent over the prevailing Tokyo quote.

Bridgeport Tires is offering \$70 million of 15-year bonds bearing a coupon of 5 1/2 percent and convertible into shares at an anticipated premium of 5 percent. Nicholson is offering \$15 million of 15-year, 5 1/2 percent convertible bonds.

Fujitsu is offering 30 million shares in the form of European depositary receipts.

In the Canadian dollar sector, Transalta Utilities increased the

coupon on its 50-million-dollar, seven-year offering to 17 percent from the initially indicated 16 1/2 percent. The paper was sold at par.

The coupon increase was more or less forced by the more attractive terms offered by Consolidated Bathurst. It sold 40 million dollars of five-year paper at par bearing a coupon of 17 1/4 percent.

In the Deutsche mark sector, the Council of Europe sold 150 million DM of 10-year bonds at a slight discount of 99 1/2 bearing a coupon of 10 percent. Scheduled for this week are issues for Quebec and Philip Morris.

Markets Turnover

Week Ended Jan. 29
(Billions of U.S. Dollars)

	Yield	Debt	Equity
Codel	3,536.7	2,804.5	732.2
Eurod	5,312.7	4,862.8	449.9

Malaysians Urge New Tin Group

From Agency Dispatches

KUALA LUMPUR — Malaysia, the world's largest tin producer, has initiated talks aimed at forming a group to take a harder stance in support of tin prices.

Deputy Premier Datuk Musa Hitam told reporters here that Malaysia had opened talks with Indonesia and would also consult with Bolivia and Thailand.

The four countries — all major tin producers — have criticized the United States for selling tin from its stockpile in the international market since last month.

"We feel that we have been let down by certain industrialized countries, particularly the United States, with regard to the dumping of tin without consideration for problems faced by producing countries," he said. Malaysia has formally protested to U.S. officials over the stockpile sales.

The United States has about 200,000 tons of tin in its stockpile — equivalent to more than three years of Malaysian production. Malaysia accounts for about 40 percent of world output.

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OF F.Fr. 5,000 NOMINAL 14 1/4% NOTES 1981/1986
Notice is hereby given to the holders of F.Fr. 5,000 nominal 14 1/4% notes 1981/1986 of COMPAGNIE NATIONALE AIR FRANCE, that its ordinary general meeting will be held on February 12, 1982, at 5:00 p.m., Paris time, at 4 rue de la Chapelle, 75009 PARIS, to give a decision on the following agenda:

- Appointment of the non-executive permanent representatives ("Représentants de la Masse")
- Determination of the permanent representatives' capacities and of the remuneration given to the permanent representatives.

Any shareholder may attend or be represented at the Meeting. The Meeting may validly deliberate only if shareholders present or represented at least a quarter of the outstanding notes.

Shareholders who wish to attend or be represented at the Meeting will have to deposit their notes (or deposit receipts) at least five days before the date of the Meeting with the following banks or institutions:

- BANQUE PARISIENNE D'ETAT (Paris)
- BANQUE DE L'UNION EUROPEENNE (Paris)
- KREDBANK S.A. LUXEMBOURGEOISE (Luxembourg)
- SWISS BANK CORPORATION (Basel)
- SOCIETE GENERALE DE BANQUE S.A. (Brussels)
- WESTDEUTSCHE LANDESBANK GROSZENTRALE (Düsseldorf)

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- All interest paid is net and without deductions (taxes, etc.) of source.
- All transactions confidential.
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DOLLAR (U.S.)	15%
STERLING (£)	15.75%
FRANC (French)	18.25%
MARK (Deutsch)	12.75%
FRANC (Swiss)	9.5%

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BANCA DEL GOTTARDO	BANK JULIUS BAER & CO. A.G.
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BANQUE DE PARIS ET DES PAYS-BAS	BARING BROTHERS & CO.
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DAI-ICHI KANGYO INTERNATIONAL	DAIWA EUROPE
KIDDER, PEABODY INTERNATIONAL	KLEINWORT, BENSON
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January 28, 1982

Net Asset Value
on January 7, 1982

Pacific Selection Fund N.V.
U.S. \$5.02 per U.S. \$1 unit.

Pacific Selection
Fund N.V.

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

CONVERTIBLE BONDS

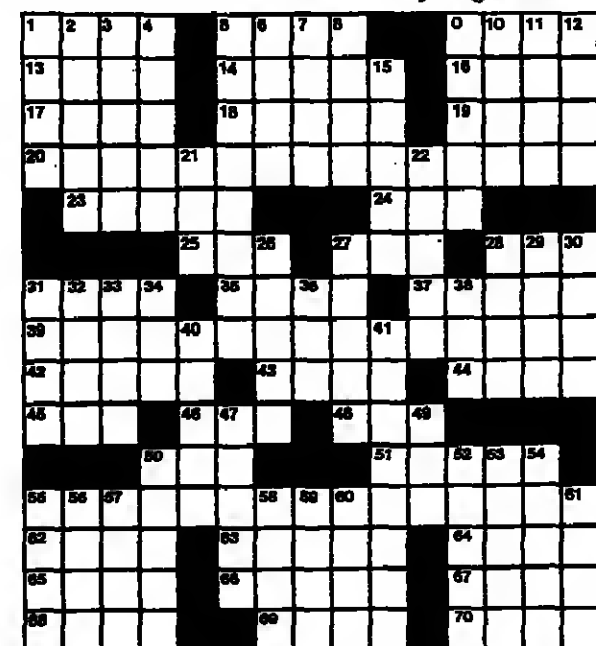
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For the Week Ending Jan. 29, 1982

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(Continued on Page 11)

CROSSWORD Edited by Eugene T. Maleska



ACROSS

1 Departed
5 Wise
9 Unbalanced
13 She, in Paris
14 Dress up
16 Ballet
17 Inter-
18 Chinese silk
19 Israeli seaport
20 Original
21 Strict
22 Tank for
23 Loss for
27 "Go down to"
28 Author
31 Org.
35 A social sci.
37 One of the
38 Dates
42 News on the
43 Pictorial
44 "Can't"
45 Frequently, to
46 A Garfield
48 Tree juice
50 Type of trip

DOWN

1 Page
2 Island
3 Play at love
4 Amos
5 Raced
6 Syria in
7 Hailing walk
8 Eastern bugging
9 "Cousin, you
10 Places
11 Other, in
12 End of a
13 Irritate
14 Folk-song
15 Syllable
16 Cut into cords
17 Chairman port
18 Does some
19 Needlework
20 Tire

ACROSS

21 Popular form
22 "Evrica"
23 Type of
24 Actor-writer
25 Anest.
26 Mouthlike
27 Opinion
28 Barnstorm
29 Ancest. Slang
30 Be a jobholder

DOWN

21 Page
22 Island
23 Play at love
24 Amos
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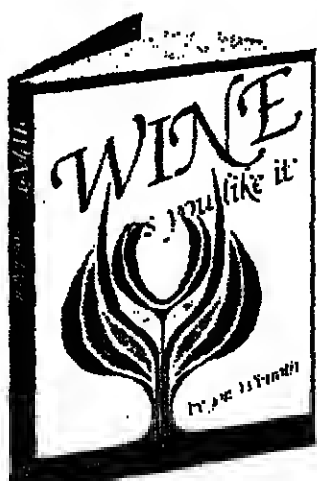
WEATHER

	High	Low		High	Low
ALABAMA	17	13	ALASKA	15	10
ALBERTA	18	14	ALBANY	16	12
AMSTERDAM	10	8	ALBUQUERQUE	17	13
ANAKARA	4	1	ALBUQUERQUE	17	13
ANTWERP	10	8	ALBUQUERQUE	17	13
AUCKLAND	16	12	ALBUQUERQUE	17	13
BANGKOK	26	22	ALBUQUERQUE	17	13
BARCELONA	16	12	ALBUQUERQUE	17	13
BEIRUT	19	15	ALBUQUERQUE	17	13
BELGRADE	4	1	ALBUQUERQUE	17	13
BELMONT	4	1	ALBUQUERQUE	17	13
BIRMINGHAM	4	1	ALBUQUERQUE	17	13
BOSTON	4	1	ALBUQUERQUE	17	13
BRUSSELS	10	8	ALBUQUERQUE	17	13
BUCAREST	5	2	ALBUQUERQUE	17	13
BUDAPEST	2	0	ALBUQUERQUE	17	13
BUEENOS AIRES	26	22	ALBUQUERQUE	17	13
CAIRO	27	23	ALBUQUERQUE	17	13
CALCUTTA	26	22	ALBUQUERQUE	17	13
CASABLANCA	17	13	ALBUQUERQUE	17	13
CHICAGO	4	1	ALBUQUERQUE	17	13
COPENHAGEN	4	1	ALBUQUERQUE	17	13
COSTA DEL SOL	17	13	ALBUQUERQUE	17	13
DAMASCUS	14	10	ALBUQUERQUE	17	13
DUBLIN	11	8	ALBUQUERQUE	17	13
EDINBURGH	14	10	ALBUQUERQUE	17	13
FLORENCE	8	4	ALBUQUERQUE	17	13
FRANKFURT	8	4	ALBUQUERQUE	17	13
GENOVA	8	4	ALBUQUERQUE	17	13
HONG KONG	26	22	ALBUQUERQUE	17	13
HOUSTON	18	14	ALBUQUERQUE	17	13
ISTANBUL	7	4	ALBUQUERQUE	17	13
JERUSALEM	4	1	ALBUQUERQUE	17	13
LAS PALMAS	24	20	ALBUQUERQUE	17	13
LIMA	24	20	ALBUQUERQUE	17	13
LONDON	12	8	ALBUQUERQUE	17	13
LOS ANGELES	26	22	ALBUQUERQUE	17	13

Readings from the previous 24 hours.

«How to buy wine without getting ripped off!»

One of the many frank and fascinating chapters in Jon Winroth's wine book published by the Herald Tribune



This highly informative book is worth having for this chapter alone! But there's much, much more. Tips, tales and revealing information on wine buying, wine tasting, wine vocabulary and wine snobbery. In fact, it's a wholly new revelation of the wine world. A book you'll read and refer to for years to come and one that will increase your enjoyment and expertise. A super gift idea as well.

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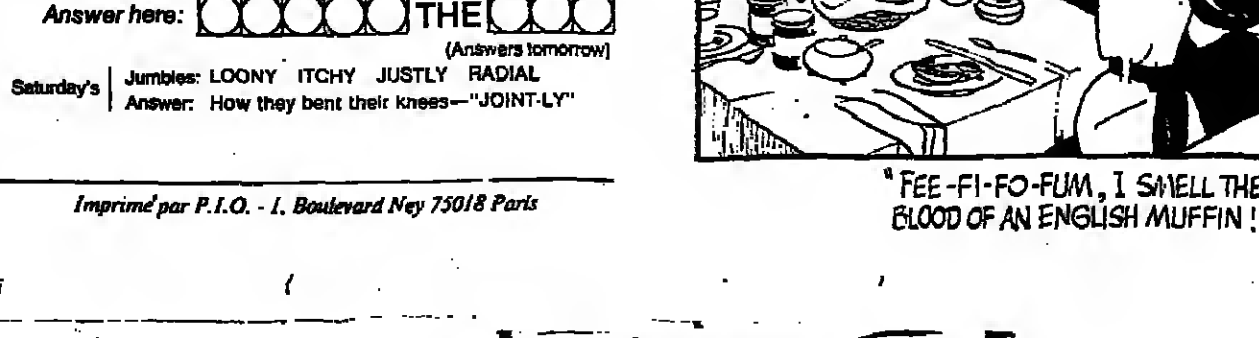
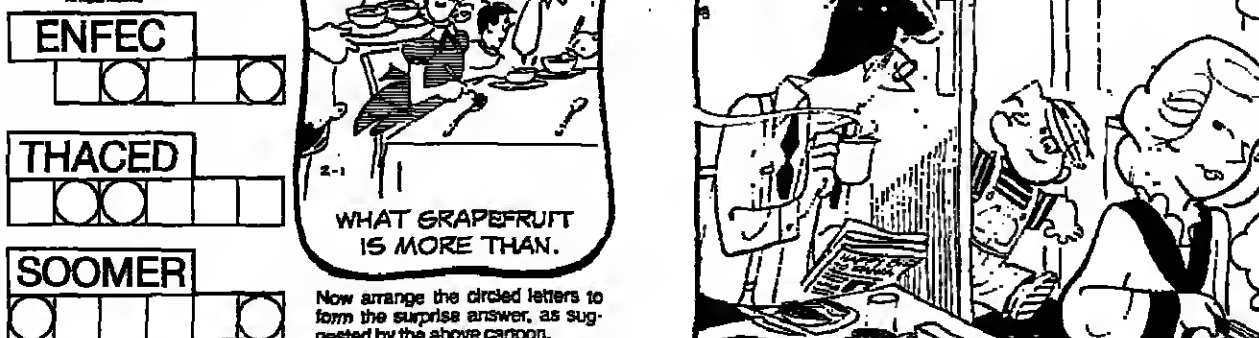
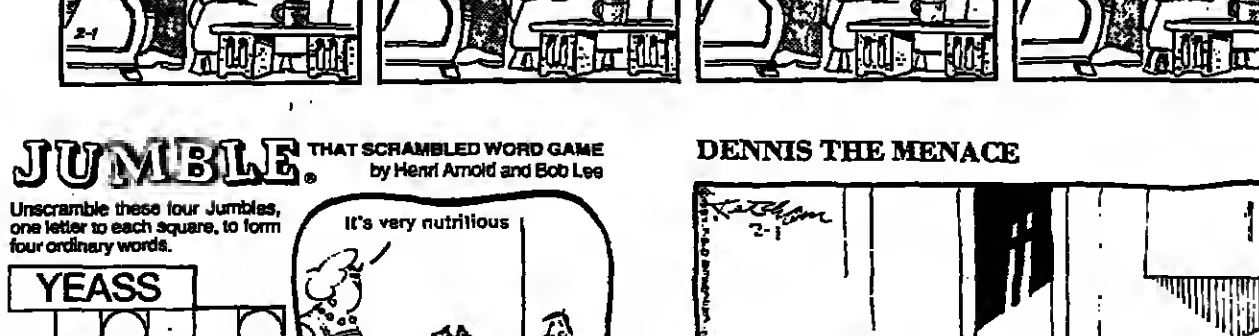
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BOOKS

THE VILLA GOLITSYN

By Piers Paul Read. 193 pp. \$13.95.

Harper & Row, 10 East 53d St., New York, N.Y. 10026

Reviewed by Christopher Lehmann-Haupt

IN THE prologue of Piers Paul Read's "The Villa Golitsyn," we learn of a particularly despicable act of treason that in 1965 had caused the ambush, torture and slaughter of a British-led detachment of mercenaries by Indonesian Communist guerrillas. After the list of suspects had been narrowed down to two young diplomats in the British Embassy at Jakarta, one of them, a charismatic Cambridge graduate named William (Willy) Ludley, suddenly resigned his post and went into exile in Argentina. So it was assumed that Ludley was the traitor, and the case was more or less closed.

But now, in 1978 — the prologue continues — the other suspect has advanced in his career to the point at which he is being "mooted for one of the highest appointments in Washington," a position so sensitive that any lingering suspicion of the man's implication in the case will not do. On the other hand, it doesn't seem fair to destroy a career on the basis of a suspicion. Further exploration must be made of the first suspect, William Ludley, who has by now abandoned Argentina and settled down with his wife, Priscilla, in Nice. Not a full-scale investigation, of course. Just a quiet approach by a friend.

Naturally enough, we are compelled by this elaborate introduction to the main action of Read's new book. Indeed, when Simon Wilson, of Britain's Foreign Office, turns out to be an old friend of Ludley from Cambridge days and travels to Nice for a vacation with Willy and Priss in their house, the Villa Golitsyn — so named for a Russian prince who built it in the 19th century — we grow so curi-

ous that we attend to the subtle nuances of the suspect's acts and conversations.

Thus Read is able to lead us by the nose on a merry chase. He has us wondering why Willy wants to drink himself to death, and why his wife seems both devoted to him and at the same time wild to begin a love affair with Simon. He has us guessing why Willy and Priss claim they can't return to England, though they miss it desperately and seem to have no friends in Nice.

Pastel Mediterranean Atmosphere

The characters are substantial and vivid — from Willy Ludley, the Byronic charmer and seducer, to Carmen Baker, an ugly little untidy of a California swinger. The talk is never so heavy as to weigh down the plot or so obscure as to darken the pastel Mediterranean atmosphere. The sexual intrigue reaches a high pitch, and there are skillful interweavings of the Faust-Mephistopheles-Gretchen story, as well as a drama that Willy Ludley, halfheartedly writing about Herzen's domestic travails with his wife and a close friend. Altogether, there is an unusual amount of meat on the streamlined skeleton of Read's adventure.

Still, there is also something about "The Villa Golitsyn" that is just a shade too slick. It's hard to know where to put the blame for this — on the fact that the frame of the story, overweighs its contents, or on the extreme melodrama of some of the plot's revelations. There's the possibility, too, that Simon Wilson, the story's medium, is too precisely calibrated for all the purposes he must serve; because he has to be presented as slightly burned out and cynical, it's hard to understand why everyone has such respect for him. And while I hesitate to blame Read's unusual mixture of melodramatic technique with tragic content — a recipe that has worked for him in previous books — there are all the same a number of moments when "The Villa Golitsyn" teeters on the brink of absurdity.

It's a little as if a story dreamed up by Eugene O'Neill had been dramatized by John L. Carré. The form, while entertaining, seems to occlude the possibilities of the content.

Christopher Lehmann-Haupt is on the staff of The New York Times.

CHESS

By Robert Byrne

MORE zonal tournaments — the first stage of trials to select a challenger for Anatoly Karpov, the world champion, in 1984, have recently been concluded.

Competitions were held for the Caribbean zone in Manzanillo and Bayamo, Cuba, and each was won by a Cuban grandmaster: Amador Rodriguez scored 10-2 at Manzanillo and Guillermo Garcia tallied 10½-1½ at Bayamo, reaching the second stage.

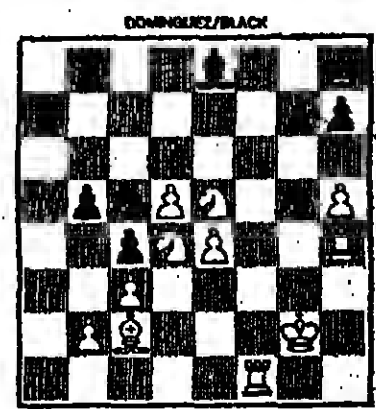
The prize for best game in Bayamo was awarded to a Colombian international master, Alonzo Zapata, for his victory over Dominguez of the Dominican Republic. Zapata shared second place with Kenneth Frey of Mexico at 10-2, while Dominguez, who had not previously been ranked by the International Chess Federation, shared sixth place with Miguel Cuellar, a Colombian international master, at 6½-5½.

Against the uncommon 9 P-QR4, the defense with 9...B-N5 has a good reputation, but this is based, after 10 P-R3, on 10...BxN; 11 QxN, NQR4; 12 B-B2, P-B4; 13 P-Q3, P-N5. The retreat with 10...B-R4? led to the bishop being bannished by 14 P-KN4 and gave White good attacking prospects after 17 N-B5.

Zapata's 23 P-N5 guaranteed White open lines against the enemy king, while Black's projected counterplay on the queenside was bound to be slow in developing. But it was an error to rush with 38 P-B4? because Dominguez could have played 38...P-N3!; 39 PxNP, NxNP; 40 R-R2, NxfP, winning a pawn while gaining space for defense. Instead, Dominguez missed his chance with 38...R-B2?.

After 39 R/1-R1, PxP; 40 QxP, it was too late for 40...P-N3? because of the crushing 41 PxP, NxfP; 42 RxfP! However, Dominguez could well have defended by 40...R-N3. His alternative, 40...R-Q2?, permitted 41 NxfP!.

On 41...N/1-K3 (he should have tried the more forcing 41...N/4-K3!); 42 PxN, NxfP; 43 Q-B5, RxfN; 44 P-K5, R-Q7ch; 45 K-N3, Rxb; 46 QxR, N-B4 because Black can fight fiercely, despite his lost exchange; 42 Q-B5!, there was scant resource in



ZAPATA/WHITE 1/12/82

Final position

42...RxfN; 43 P-K5, since 43...F-N3; 44 PxP, BxP; 45 RxfP! forces mate.

Zapata's 43 R-KB1! threatened mate by 44 Q-B8ch and hence compelled the liquidation with 43...QxQ; 44 NxfQ which left Black gasping for a defense.

After 44...N-N4; 45 N-K5, R-R2; 46 N-Q4! (46 N-Q7! was equally good), seeing no way to guard simultaneously against 47 R-Bmate and the exchange-winning 47 N/5-B6, Dominguez gave up.

White	Black	White	Black
1 P-K4	P-K4	24 R-N1	N-P/2-B4
2 N-K3	N-K3	25 K-R2	P/2-B4
3 B-N3	B-N3	26 P-R2	P-R2
4 P-R3	P-R3	27 P-R2	P-R2
5 Q-Q4	Q-Q4	28 B-B2	B-B2
6 B-N3	B-N3	29 P-Q3	P-Q3
7 P-K4	P-K4	30 Q-N5	Q-N5
8 P-R3	P-R3	31 P-N5	P-N5
9 P-R3	P-R3	32 P-N5	P-N5
10 P-R3	P-R3	33 P-N5	P-N5
11 P-Q3	P-Q3	34 P-N5	P-N5
12 P-Q3	P-Q3	35 P-N5	P-N5
13 P-Q3	P-Q3	36 P-N5	P-N5
14 P-Q3	P-Q3	37 P-N5	P-N5
15 P-Q3	P-Q3	38 P-N5	P-N5
16 P-Q3	P-Q3	39 P-N5	P-N5
17 P-Q3	P-Q3	40 P-N5	P-N5
18 P-Q3	P-Q3	41 P-N5	P-N5
19 P-Q3	P-Q3	42 P-N5	P-N5
20 P-Q3	P-Q3	43 P-N5	P-N5
21 P-Q3	P-Q3	44 P-N5	P-N5
22 P-Q3	P-Q3	45 P-N5	P-N5
23 P-Q3	P-Q3	46 P-N5	P-N5

JUMBLE THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YEASS

ENFEC

THACED

SOOMER

WHAT GRAPEFRUIT IS MORE THAN.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: O O O O O THE O O O O

(Answers tomorrow)

Saturday's Jumbles: LOONY ITCHY JUSTLY RADIAL

Answer: How they bent their knees—"JOINTLY!"

Imprimé par P.I.O. - 1, Boulevard Ney 75018 Paris

DENNIS THE MENACE



RADIO NEWSCASTS

BBC WORLD SERVICE

News at 0600, 0700, 0800, 0900, 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300 GMT

Western Europe	25	11500	11	25450	41	7140	19	15070
26	11510	11510	11510	11510	11510	11510	11510	11510
27	11520	11520	11520	11520	11520	11520	11520	11520
28	11530	11530	11530	11530	11530	11530	11530	11530
29	11540	11540	11540	11540	11540	11540	11540	11540
30	11550	11550	11550	11550	11550	11550	11550	11550
31	11560	11560	11560	11560	11560	11560	11560	11560
32	11570	11570	11570	11570	11570	11570	11570	11570
33	11580	11580	11580	11580	11580	11580	11580	11580
34	11590	11590	11590	11590	11590	11590	11590	11590
35	11600	11600	11600	11600	11600	11600	11600	11600
36	11610	11610	11610	11610	11610	11610	11610	11610
37	11620	11620	11620	11620	11620	11620	11620	11620
38	11630	11630	11630	11630	11630	11630	11630	11630
39	11640	11640	11640	11640	11640	11640	11640	11640
40	11650	11650	11650	11650	11650	11650	11650	11650
41	11660	11660	11660	11660	11660	11660	11660	11660
42	11670	11670	11670	11670	11670	11670	11670	11670
43	11680	11680	11680	11680	11680	11680	11680	11680
44	11690	11690	11690	11690	11690	11690	11690	11690
45	11700	11700	11700	11700	11700	11700	11700	11700
46	11710	11710	11710	11710	11710	11710	11710	11710
47	11720	11720	11720	11720	11720	11720	11720	11720
48	11730	11730	11730	11730	11730	11730	11730	11730
49	11740	11740	11740	11740	11740	11740	11740	11740
50	11750	11750	11750	11750	11750	11750	11750	11750

VOICE OF AMERICA

Broadcasts on the hour and at 28 minutes after the hour during varying periods in different regions.

Western Europe	15.7	12.45	West Asia	South Asia	50	8.45
26	15.7	12.45	15.7	12.45	15.7	12.45
27	15.7	12.45	15.7	12.45	15.7	12.45
28	15.7	12.45	15.7	12.45	15.7	12.45
29	15.7	12.45	15.7	12.45	15.7	12.45
30	15.7	12.45	15.7	12.45	15.7	12.45
31	15.7	12.45	15.7	12.45	15.7	12.45
32	15.7	12.45	15.7	12.45	15.7	12.45
33	15.7	12.45	15.7	12.45	15.7	12.45
34	15.7	12.45	15.7	12.45	15.7	12.45
35	15.7	12.45	15.7	12.45	15.7	12.45
36	15.7	12.45	15.7	12.45	15.7	12.45

Language

Bosh Side of POSH

By William Safire

NEW YORK — The ad in the New Yorker for the Portside Yacht Club, peddling "townhomes" for \$350,000 and up, starts with a barefaced bit of misinformation: "For decades, the word POSH has epitomized the finest accommodations aboard the world's best cruise ships. Portside Out Starboard Home."

This phony etymology was started in the mid-1930s and it drives wordsmen bats. In his slang dictionary, Eric Partridge identified the noun "posh" as "money," specifically a halfpenny, as used in 1839, and cites a P.G. Wodehouse line in 1903: "quite the most posh thing at Cambridge," suggesting that "posh" was a later confusion of "push." When a writer in the Times of London Literary Supplement came up with that speculation of acronymic origin in 1935, amateur etymologists seized upon it and now whenever anybody says he's in the word game, he gets asked, "Do you know where 'posh' comes from?"

At Merriam-Webster, editorial director Fred Mish resolutely sticks to "origin unknown" on his "posh" file.

ACRONYMS are tricky. POSSLO, pronounced POS-ly-ko, was the designation by the Census Bureau of a live-in, or roommate, or co-habitee, it stood for "Persons of Opposite Sex Sharing Living Quarters," and for a time had a vogue among men who were reluctant to say, "Meet my mistress, paramour or tootsy."

But not all acronyms are acronyms. Clarence Barringer, the nabob of neologisms who is issuing a new quarterly Dictionary Companion from his scribe in Cold Spring, N.Y., points out that Mossad, the Israeli intelligence agency of fact and fiction, should not be capitalized as it so often is. The word is not an acronym: It derives from the modern Hebrew word *massad*, "agency," which is the first word in the full name of the Israeli Secret Service. But perhaps because of SAYAK, in Iran and BOSS in South Africa, the word has been taken to be an acronym, which is bosh.

WILLIE SUTTON, the bank robber — known as "Slick Willie" and "Willie the Actor" because of his skillful use of disguises — made an observation of great psychological import toward the end of his career: "I was more alive when I was inside a bank, robbing it, than at any other time in my life."

Was Willie guilty of misusage? Legally speaking, can anybody "rob" a bank or any other place? "The other night," writes Sybil Hart Kooper, justice of the Supreme Court of New York, "a television commentator said that Robert Redford's apartment had been 'robbed.' Not true. His apartment had been burglarized."

What's the difference? "Robbery is forcible stealing from a person," opines Justice Kooper in an oblique dictum: "Burglary is entering a premises unlawfully for the purpose of committing a crime. As they say in my home town, Brooklyn, 'You can't boggle a person.'"

It is argued that, in law, robbery is a crime against a person while burglary is a crime against property (from the Teutonic word for "a fortified place," expressed in Latin as *burgum*, with a possible addition of *larcin*, "theft").

That seems like a neat distinction, but what happens when you put your head in a stocking mask, break into somebody's premises with felonious intent, and run smack-dab into the resident? The victim is entitled to claim that he was not only burglarized but robbed, since you committed a crime against his property and himself.

The trick is to remember that the language of law is not necessarily the language of life. In law, burglary is limited, as Justice Kooper notes, to unlawful entry with a crime in mind, whether that crime is larceny or some other, and whether or not the attempt is successful; but in layman's language, which is not to be sneered at by lawyers, the word means the successful attempt to steal something.

In popular usage," reports Dr. Garalnik, Simon and Schuster's dictionary chief, "the verb to rob is used with reference to any kind of theft, including burglary, embezzlement, etc., and, of course, in extended use, it can mean to deprive of any thing or right in an unjust way, so that the manager of a fighter who loses a decision might shout, 'We was robbed.'"

NEW YORK TIMES SERVICE

Reagan Lifestyle Gets Mixed Rating

By Fred Ferretti

New York Times Service

NEW YORK — "The times demand that we all cut down, and I think that means all of us, the Reagans included," said Rose Novell of Antioch, Ill.

"I think the president and first lady of the United States should be as well represented as kings and queens," said Ella Winn of Darien, Conn.

"Reagan was always on the conservative side," said Jake Van Dyke of Chino, Calif. "I thought he'd be conservative in the White House too. I think Mrs. Reagan doesn't have to go all that overboard."

"It seems to me that the lifestyle of the Reagans now is not too much different from what it was before they moved into the White House," said Lawrence A. Pyle Jr. of Bethesda, Md.

"What do they mean by excess?" These are some of the Americans who appear to be just about evenly divided in their views as to whether the White House style of President and Mrs. Reagan is appropriate or too extravagant. They are among the 1,540 men and women who were questioned in a New York Times-CBS News Poll conducted Jan. 11-15.

Asked to rate the Reagans' lifestyle, 46 percent of those questioned said they felt it was too extravagant, 43 percent that it was appropriate, and 11 percent that they did not know.

Women who disapproved of the Reagans' lifestyle, like Mrs. Novell, were more critical. Linda Reimer of Warren, Ohio, said that she was "flabbergasted" by the White House remodeling. "It seems we do it every four years," she said. "Of Mrs. Reagan's wearing designer gowns, she added, 'Everybody else uses clothes more than once. Who's going to know if she wears them more than once?'"

And Patricia DeRoy of Pompano Beach, Fla., said, "A lot of lovely china can be bought, the White House should be beautiful, but not to the nth degree."

Donna Hoffman of Pearl River, N.Y., said she thought the White House should represent the United States in general. "But," she said, "we have a couple there who, it seems to me, live in a style that represents a very small percentage of the people of this country."

This file to the editor, Lewis McIntosh of Lawrence, Mich., said, "It's not my lifestyle but it's what the Reagans are accustomed to. They're always been money people, their friends are well-to-do. As long as it doesn't come out of my pocket." Nor does it bother Alexander Nicholas of Detroit, who said simply, "They're not doing anything the others didn't do. Look at Jackie Kennedy!"

Though Joyce Dugan of Johnstown, Pa., said she felt the same way, she seemed to typify some of the ambivalence in that broad middle group. "Other Presidents had the same lifestyle," she said. "The dresses and the china? They might be a little extravagant, but it doesn't disturb me too much."

And Emilia Spatz of Garfield, N.J., was not disturbed either: "I don't think it's too bad," she said. "I feel when you have the money you should spend it. I think if the way they live gives a push to Americans then it's not too bad."

which the Reagans live was too extravagant; those with higher incomes, Republicans and those who approve of the president said they found the Reagans' style appropriate.

Thus disapproval was expressed by those with lower incomes, approval by those with higher earnings. To the middle, however, is a group that earns between \$20,000 and \$30,000 annually. Among those sampled in that group there was no overwhelming opinion either way: 47 percent disapproved, 48 percent approved, and 5 percent that they did not know.

In an effort to sift through the feelings of this group, a number of people originally interviewed in the telephone survey were called for more in-depth interviews.

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"There's been a lot of talk about the style of living in the Reagan White House. Do you think this life style is too extravagant, or is it the appropriate style of living for the President and his family?"

	Too Extravagant	Appropriate	Don't Know
ALL RESPONDENTS	46%	43%	11%
SEX			
Female	52	38	9
Male	39	46	12
RACE			
White	46	43	10
Black	46	43	10
ANNUAL INCOME			
Less than \$10,000	48	37	15
\$10,000-20,000	47	38	11
\$20,000-30,000	47	43	5
\$30,000-40,000	43	48	8
More than \$40,000	38	53	7
EDUCATION			
Less than high school	47	34	19
High school	47	45	8
Some college	46	46	8
College graduate	38	53	7
PARTY IDENTIFICATION			
Democrat	55	33	11
Independent	46	43	11
Republican	30	61	9

Based on 1,540 interviews conducted Jan. 11-15, 1982

Letter From Liechtenstein
Feminism and the Vote

By Iain Guest

International Herald Tribune

VADUZ, Liechtenstein — Next Friday, under one of Europe's fairy-tale castles and the watchful eye of one of the world's longest-reigning monarchs, half the adult citizens of this tiny state will troop to the polls to elect a new government.

Elections happen every four years in Liechtenstein, and they are quite unlike anything elsewhere in Western Europe — for the simple reason that women can't vote.

"It's absurd, ridiculous," said Evelyn Reumann, a 31-year-old graphic designer and one of the frustrated women who will be watching from the sidelines. "Forty-eight percent of the women here work, and they're as modern as women anywhere else. We can't accept it."

Liechtenstein is better known for its colorful postage stamps, "letter box companies" drawn by tax rates of less than 20 percent, and its 75-year-old prince Franz Joseph II whose 42-year reign is exceeded only by that of Hirohito of Japan than it is for denying women the vote.

Despite this, the issue has dominated the country's political system for 10 years. Apart from scattered communities in the Swiss cantons of Appenzel and Grisons, Liechtenstein is the only Western country where women cannot vote — a fact that has acutely embarrassed the government, from Prince Franz Joseph down.

The Council of Europe agreed to Liechtenstein's accession in 1978 on the understanding that the death penalty would be abolished and women enfranchised, but neither has yet happened — although all death sentences have in recent years been commuted by the prince, and a bill to abolish the death penalty is in preparation.

There are no such prospects for the women's vote. The proposal was first put to the all-male electorate in 1971 and rejected by 81 votes. Two years later it was again proposed and turned down by a larger majority of 451.

The feminist cause received a major setback last month when the heavily industrialized community of Schaan decided to prevent women voting even on local issues.

Berman and a group of friends have launched a feminist move-

ment that is polite and well-mannered by the standards of the U.S. or Western Europe, but highly provocative in discreet Liechtenstein. Their group, "Sleeping Beauty," put out posters of an attractive woman asleep, bearing the legend "Awake." Recently, in a mute protest against their non-participation in the forthcoming elections, they applied for ballot cards and were duly turned away. Now they plan to challenge the law as unconstitutional.

Although government officials are at a loss to explain the opposition to the women's vote, they concede there are widespread distrust of the political system — particularly a law forbidding people from participating in communal votes outside their community of birth. Among the issues that tend to be put in such votes is the election of new citizens — and some of the families of the 9,000 foreigners in the country have been living in Liechtenstein and contributing to its economy for four generations without receiving citizenship.

"There is a feeling that these anomalies had best be settled before giving women the vote," said Walter Kranz, the government's only official spokesman. He added that there is a fear among men that the vote would mean greater influence for foreigners, since up to half the population of Liechtenstein have married foreign wives.

This argument is hotly disputed by the feminists, who have tallied that all but 202 of the foreign wives come either from neighboring Austria or Switzerland.

But this too is a sore point. The 4,300 Swiss in Liechtenstein pay account for almost a quarter of the total population, and last November, the government was agreed to longer automatically enjoy full access to the principality, but would be subject to the same constraints as other foreigners.

Liechtenstein's parliament contains only 15 seats, and although grouped in two parties, the deputies are close acquaintances. Any potentially divisive issue is usually settled by princely guidance from Franz Joseph II.

All concede that the debate over women's rights has uncovered a strain of xenophobia that could sway the outcome of an otherwise tranquil election.

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ATTENTION OVERSEAS AMERICANS

AMERICAN CITIZENS abroad, a non-profit organization, is supporting a campaign for major tax relief for U.S. citizens abroad. We are also building a movement to ease citizenship laws for children born abroad to U.S. citizens. Write us with these two important letters.

U.S.A. 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 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